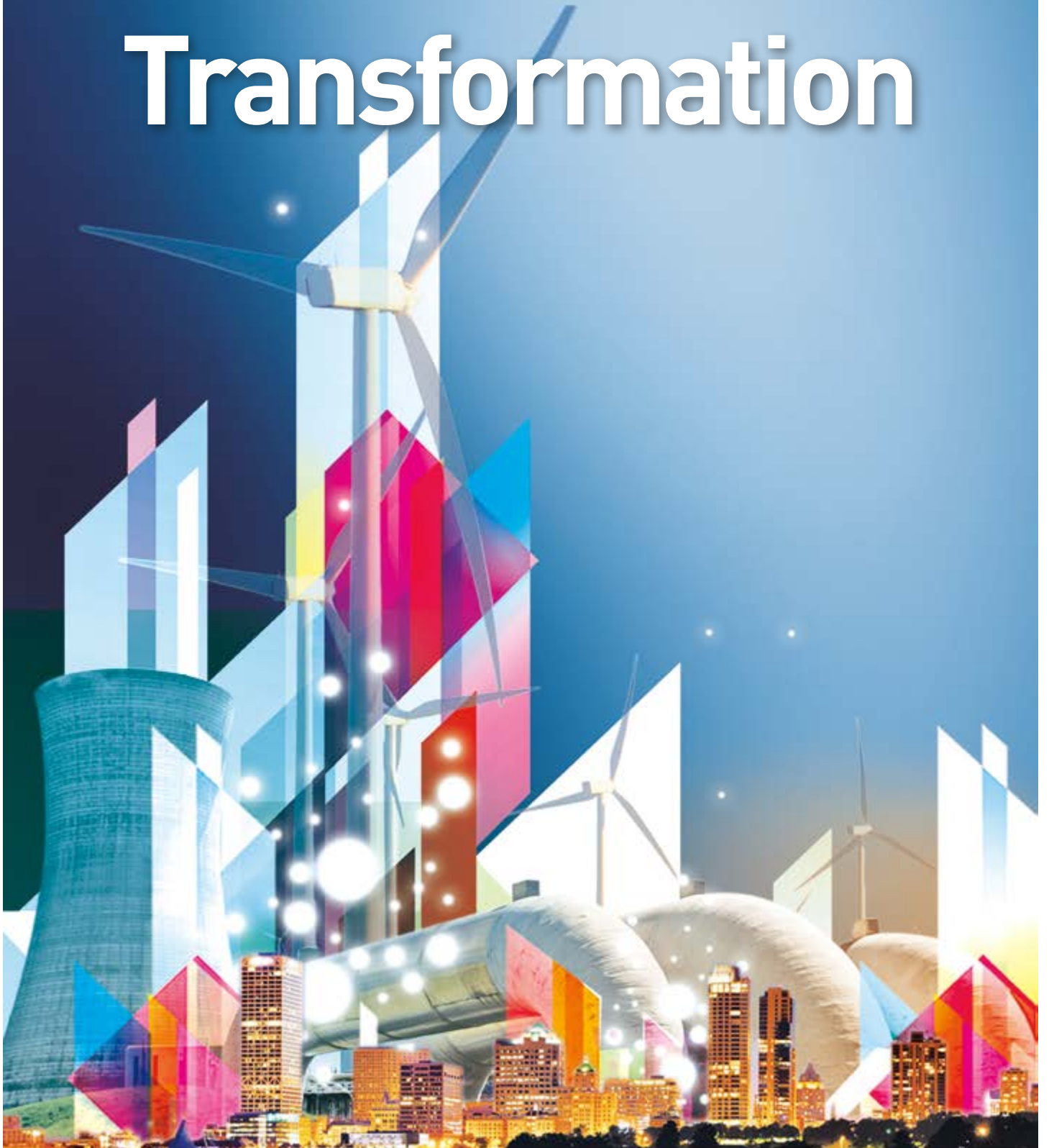


Transformation



CONTENTS

03 Corporate philosophy

04 Key highlights

06 Transformation

15 Case study

16 Responsible enterprise

18 Management discussion and analysis

21 Corporate information

22 Directors' profile

24 Directors' report

41 Financial section

India had a peak power shortage of 10% in 2012-13.

To address this growing deficit, India needs to build generation, transmission and distribution infrastructure – faster than ever before.

Over the last few years, DPSC Limited has developed itself with the objective to transform the prevalent Indian power scenario.



AT DPSC LIMITED, WE ARE DRIVEN BY THE SPIRIT OF 'TRANSFORMATION'.

THIS PRIORITY IS REFLECTED IN WHAT WE HAVE ACHIEVED IN THE LAST FEW YEARS.

DPSC LIMITED IS A UNIQUE INTEGRATED POWER UTILITY WITH 90 YEARS OF EXPERIENCE, HAVING TRANSFORMED ITSELF THROUGH MODERN TECHNOLOGY, DIVERSE GEOGRAPHIC PRESENCE AND ONE OF THE LOWEST T&D LOSSES.

GOING AHEAD, WE PLAN TO EXPAND OUR GENERATION CAPACITY TO 1100 MW AND DISTRIBUTION CAPACITY TO 1000 MVA BY 2016.

MISSION

- To light up and empower industries and millions of homes by being the lowest cost, most reliable and environmentally sound conventional & non-conventional energy provider.
- To provide employees a strong sense of ownership, professional respect and pride, resulting in high moral and performance.
- To enhance shareholders' value by growth and profitability.

VISION

A leading and reliable end-to-end energy solutions provider to the country

ABOUT US

DPSC Limited (established in 1919) is one of the oldest power utility companies in India engaged in power generation, distribution and trading.

The Company operates as a distribution licensee in a licensed area of 618 sq. km in the industrial belt of West Bengal.

The Company has 95 MW of wind power plants in Rajasthan, Gujarat and Karnataka; the Company developed a grid-connected solar power plant of 2 MW capacity in collaboration with West Bengal Green Energy Development Corporation Limited in West Bengal.

The Company is also setting up a 450 MW thermal power plant in Haldia, West Bengal.

OUR PROGRESS

1919

Entry into power utility business

1930

Commissioned first generation unit of 12 MW

2006

Commissioned a 10.4 MW wind power plant in Karnataka

2007

Commissioned another 24.8 MW wind power plant in Gujarat

2008

Commissioned Asia's largest grid-connected solar plant (when commissioned) of 2 MW in Shibpur, Asansol

2011

Commenced implementation of a 450 MW thermal power project in Haldia

2012

Implemented first phase of Smart Grid- Automated Meter Reading (AMR to billing)

2012

Commissioned the third wind power plant of 60 MW in Rajasthan

2012

Implemented 2x270 MW thermal power project in Raghunathpur, West Bengal

2016

Aim to attain 1100 MW in generation and 1000 MVA in distribution

KEY HIGHLIGHTS 2012-13

650

Gross revenue (₹ crore)

256

Connected Load (MVA)

3

T & D Loss (%)

0.21

Debt-equity ratio

27.6

Post-tax profit (₹ crore)

72

EBIDTA (₹ crore)

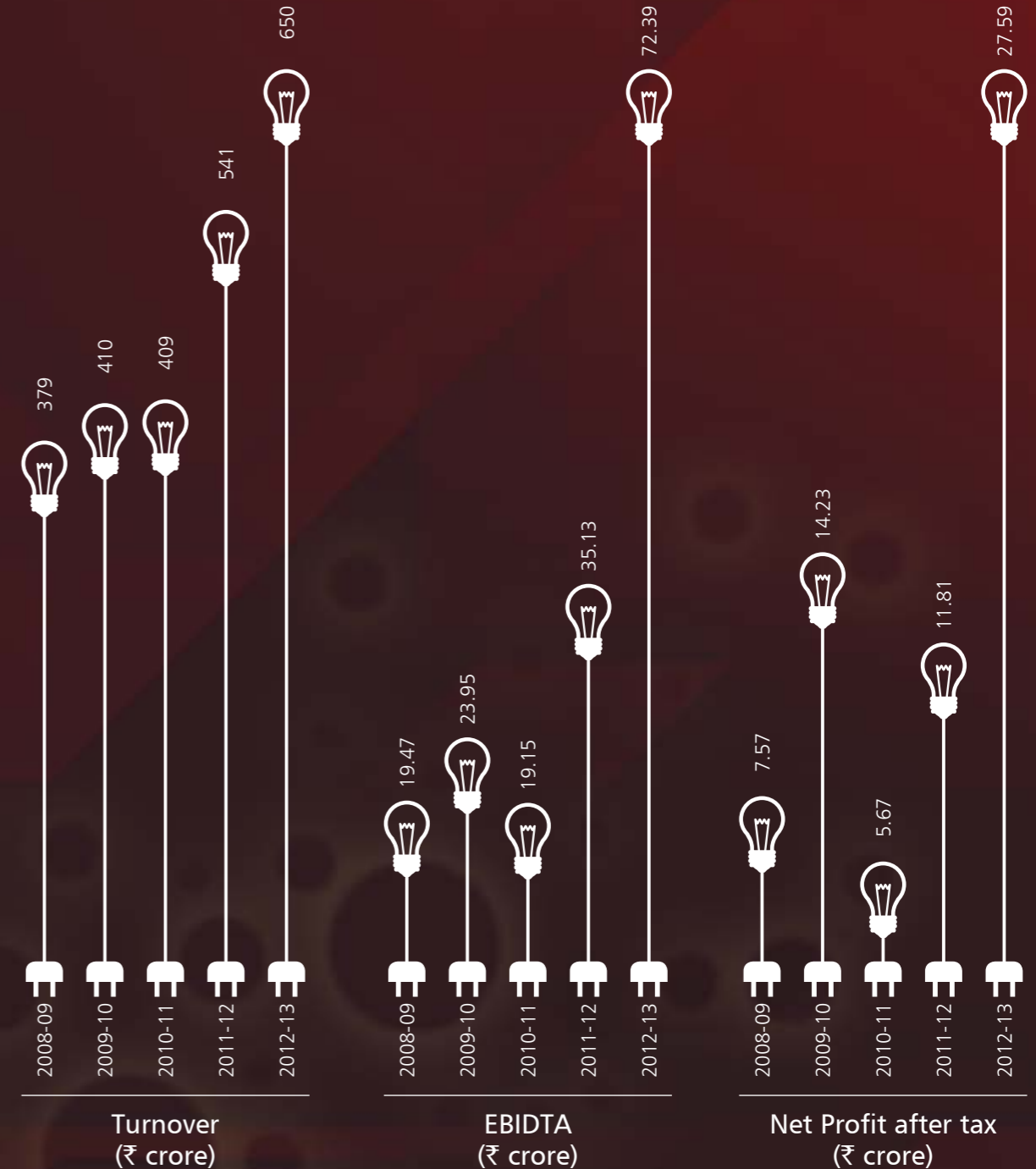
11

Return on capital employed, average (%)

99

Reliability (percent)

HOW WE ARE TRANSFORMING OUR NUMBERS





TRANSFORMATION

PUBLIC SECTOR TO PRIVATE.

THE COMPANY, INCORPORATED IN 1919, WAS A PUBLIC SECTOR UNDERTAKING KNOWN AS DISHERGARH POWER SUPPLY CO. LTD.

The objective of the Company was to primarily supply power to the erstwhile collieries of the Andrew Yule Group in the Asansol-Raniganj Belt under British India.

During the 1930s, the Company commissioned its first thermal power plant (12 MW). Thereafter, the Company was granted its distribution license and following independence, continued to operate as a public sector enterprise and as a part of the Andrew Yule Group.

In 2010, the Company transformed from a public sector enterprise to a private sector company when India Power Corporation Limited (IPCL) assumed management control.

AT DPSC LIMITED, WE HAVE COMBINED AN ENDURING WISDOM OF 94 YEARS OF PUBLIC SECTOR EXPERIENCE WITH 10 YEARS OF PRIVATE SECTOR ENTREPRENEURSHIP.

STANDALONE TO INTEGRATED.

WITH THE INTEGRATION OF IPCL WITH DPSC, WE HAVE STRENGTHENED OUR BALANCE SHEET WITH THE OBJECTIVE TO ACHIEVE FINANCIAL SUSTAINABILITY

- Increased net worth from ₹110 crore in 2010-11 to ₹976 crore in 2012-13
- EBIDTA margin increased by more than 100% between 2011 to 2013

This robust financial framework will serve as a foundation for the company to accelerate its momentum and grow in a sustainable way.

The integration also resulted in:

- Pooling of intellectual capital
- A larger asset base and enhanced financial resources
- Optimal resource utilisation
- Stronger administration
- Sustainable Balance Sheet

THE INTEGRATION ENABLES THE COMPANY TO STRENGTHEN ITS BRAND, ATTRACT INVESTMENTS AND AGGREGATE COMPETENCIES WITH EFFICIENCY AND EFFECTIVENESS.

INDEPENDENT TO SYNERGISTIC.

THE INDIAN POWER SECTOR REQUIRES SYNERGY AMONG ITS GENERATION, TRANSMISSION AND DISTRIBUTION SEGMENTS FOR INCREASED RELIABILITY, COST EFFECTIVENESS AND POWER AVAILABILITY.

This fully integrated approach is reflected in the business model of the DPSC:

- Thermal generation
- Transmission
- Distribution
- Trading
- Wind power
- Solar power

Because of integration we are in a better position to serve customers – efficiently and effectively.

Besides, the Company embarked on a number of initiatives to enhance its operating synergies

- Strengthening existing distribution network for higher reliability
- Scaling up generation capacity to cater to future consumer growth
- Getting National Grid connectivity for sourcing economical power for the benefit of the consumer
- Increasing the renewable energy portfolio

LEGACY TO CUTTING-EDGE.

IN A BUSINESS THAT NEEDS TO DELIVER THE HIGHEST RELIABILITY OF SUPPLY, MOST ECONOMICALLY, FOR THE BENEFIT OF THE CONSUMERS, THERE IS A NEED TO CONTINUOUSLY INVEST IN CUTTING-EDGE TECHNOLOGIES.

Our commitment to state-of-the-art technology is demonstrated through the following measures:

- T&D losses declined to 3%
- DPSC invested in the AMR technology in 2011 replacing the conventional manual presence-driven meter reading technology with automated remote reading.
- The technology has helped in complete generation of monthly bills online and representing the company's readiness for the futuristic Smart Grid concept.
- DPSC invested in the GIS technology in 2011 to map distribution assets
- This has enabled assets monitoring, understanding network topology, locate faults at a low downtime

SMALL TO LARGE.

WITH THE INEVITABLE INCREASE IN PER CAPITA CONSUMPTION OF ENERGY, THERE WILL BE A GROWING DEMAND FOR POWER WHICH REQUIRES A LARGER CAPACITY BUILD-UP AT A STEADY PACE.

DPSC Limited has undertaken certain measures to contribute towards the national power development via progressive additions in generation and augmenting its distribution capabilities.

The Company is strengthening its generation and distribution profile through the following initiatives:

- Strengthening distribution network and building assets to cater to a 1,000 MVA demand by 2016
- Setting up a 3 x 150 MW thermal power project in Haldia, W.B.
- Planning a 2 x 270 MW thermal power plant in Raghunathpur, W.B.
- Progressively planning to expand our wind energy portfolio

CARBON FOOTPRINT TO GREEN COVER.

IN A WORLD WITH A GROWING EMPHASIS ON REDUCING CARBON FOOTPRINT, THERE IS A NEED TO GROW THE POWER SECTOR KEEPING IN MIND THE ENVIRONMENTAL PRIORITIES.

DPSC Limited, has made renewable energy generation integral to its growth. Its growing investment in wind energy generation assets will raise its renewable energy portfolio in the coming years.

The Company engaged in the following initiatives:

- Investing in renewable energy from established global vendors
- Entering into secure power purchase agreements with state governments
- Exploring regions with high wind energy with the intention to increase the wind energy portfolio

OUR RENEWABLE ENERGY PORTFOLIO

State	Commissioning	MW	PPA with	Tenure
Karnataka	2005-06	10.4	Bescom	10 years
Gujarat	2006-07	24.8	GUVNL	20 years
West Bengal	2008-2009	2	WBGEDCL	10 years
Rajasthan	2011-12	60.0	AVVNL	20 years
Total		97.2		

REGIONAL TO NATIONAL.

DPSC, POST-TRANSFORMATION, HAS WIDENED ITS PRESENCE FROM OPERATING ONLY IN WEST BENGAL TO OPERATING IN OTHER STATES (RAJASTHAN, KARNATAKA AND GUJARAT), EMERGING AS A NATIONAL PLAYER.

By spreading its footprint across the country, the Company is progressing towards its vision of providing reliable energy to its widening base of consumers.

In the days to come, the Company is also keen to explore the opportunities arising out of the distribution franchisees and PPP models in various Indian states.

OFF-GRID TO NATIONAL GRID.

DPSC LIMITED HAS EMBARKED ON A NUMBER OF INITIATIVES TO STRENGTHEN ITS DISTRIBUTION CAPACITY AND CONNECT ITSELF TO THE NATIONAL GRID.

The Company is strengthening its connectivity to the National Electricity Grid through the proposed commissioning of new sub-stations at JK Nagar (220/33 KV) and Chalbalpur (400/220/132/33 KV).

Case study

MAKING A DIFFERENCE

When our dependable service saved 300 underground miners...

At DPSC Limited, we provide uninterrupted power to a variety of downstream users.

A number of these industrial users are engaged in critical sectors like mining, railways and healthcare.

For instance, DPSC addresses the needs of nearly 90 underground mines comprising more than 300 miners in challenging subterranean conditions with a high dependence on energy for safety and security.

When the country's Northern Grid collapsed in July 2012 across 20 states for three days, making it difficult for utilities to provide power to its consumers, the fear was that this would extend to DPSC as well, with disastrous consequences.

DPSC was among few bright spots – literally – to report a continuous uptime as a result of which, the miners could be evacuated with ease and convenience.

Because a team of DPSC engineers worked overtime to save lives...

200 trapped in coal mines rescued

ANIL GIRI
ASANSOL, JULY 31

With the collapse of Eastern Grid and breakdown of power, 200 Eastern Coalfields Ltd workers were trapped in underground coal mines in Raniganj coal belt. As soon as the news spread, there was panic and pandemonium in Sodepur and

Kunustoria areas in Raniganj as hundreds of distraught family members started pouring, clamouring for rescue operation. However, in the absence of power, the ECL authorities were not in a position to do much. They sent SOS to the power supplier, DPSC. Responding to their desperate call, the DPSC restored partial

power on emergency basis. With the help of technical experts, the ECL officials started evacuating the trapped miners safely. General manager, technical, ECL, Niladri Roy confirmed that 200 miners were rescued from the underground coal mines. "Now there is no miner inside any mine and no miner was sent in any

mine in the second shift," Mr Roy said. A DPSC official said that the power supplier had been supplying power to three mines of the ECL. "On an emergency call from the ECL, we have supplied life-saving power of three MVA," he added. When all miners were evacuated, their family members heaved a collective sigh of relief.

Asian Age, 1st August, 2012

RESPONSIBLE ENTERPRISE



A responsible enterprise not only works towards improving its business practices but also actively takes part in conserving the environment and giving back to the society at large.

As a responsible enterprise, DPSC Limited was engaged in a number of initiatives directed at societal upliftment in 2012-13 covering the following:

Electrification

- Provided several street lights in the Majhi/Santhal Para in Manohar Chawk and Asanbani Mouza areas.
- Provided street lights at a subsidised rate to approximately 200 consumers adjacent to the SPS unit.

Education

- Donated to a school for the blind in Kulti
- Allocated funds for the maintenance, supply of furniture and water filter to S. D. Girls H.S. School
- Delivered computers to Niyamatpur training centre
- Granted monthly financial grants to A.C. Institution Higher Secondary School, Sodepur Colliery High School and Seebpore Workshop Free Primary School
- Awarded scholarships to the children of its employees and contractor workers.

Health

- Provided free medical consultancy and health check-ups at its facilities.
- Conducted regular health camps through a network of medical professionals.
- Organised blood donation camps.

Drinking water

DPSC Limited also provides drinking water to villages adjacent to its central office.

Social

The Company funded two NGOs with a monetary grant at its Annual Function at the Science City Auditorium, Kolkata. In 2012, the beneficiary NGOs comprised **The Friends Foundation of Asia** (organisation for the chronically and terminally ill) and **WWF India**. Organisations who have benefited like this comprise **Ramakrishna Sarada Sangha, Sitarampur**, an organisation involved with social causes, **The Calcutta Hope** and **St. Thomas**.

DPSC Limited also provides infrastructure facilities to Operation Smile at Salt Lake.

Environment

Perhaps the most important aspect of CSR is the emphasis on environmental conservation. The earth is approaching an ecological collapse. Pollution and habitat disrespect are destroying on average 200 species of flora and fauna per day, a rate unheard of since the extinction of dinosaurs some 65 million years ago. Fresh water is being consumed faster than is being replenished. Polar ice-caps are thawing due to global warming, which can potentially lead to the flooding and destruction of coastal cities.

CSR emphasises sustainable growth, which allows companies to reap profits while creating a negligible or, if possible, positive impact on the environment. Initiatives such as renewable power, rainwater harvesting, carbon footprint reduction and wildlife conservation all play a part in ensuring not just that the world of the future will be green, but that there will be a world of the future at all.

DPSC Limited is committed to green, environmentally responsible power. Without exception, we obtain all environmental clearances and follow environmental norms. We pursue environment-friendly technologies and adopt green technologies whenever possible. We installed water recycling plants for waste water management. We planted thousands of trees in the vicinity of our power plants to reduce our carbon footprint.

Management Discussion and Analysis

Indian economic overview

The RBI's forecast for 2012-13 had been 5% growth for India. The preliminary data dimmed hopes for a mild recovery in economic activity in the second half of the financial year, which ends in March, with the government projecting economic growth of 4.6% between October 2012 and March 2013, compared with 5.4% in the first half of the fiscal year.

Indian power industry

India ranks fifth in the world after the U.S.A, China, Japan and Russia in terms of total installed power generation capacity. According to the CEA, Ministry of Power, the total installed power generation capacity of the country was 211.77 GW as on 31 March, 2013.

POWER GENERATION BREAKUP

Fuel	MW	%age
Coal	121,610.88	57.42
Gas	18,903.05	8.92
Oil	1,199.75	0.56
Hydro	39,416.40	18.61
Nuclear	4,780.00	2.25
Other renewable sources	25,856.14	12.20
Total	2,11,766.22	100.00

(Source: CEA, Ministry of Power)

Coal remains the biggest source of energy. It is used to generate 121 GW or 57.42% of the country's power. The share of renewable energy is rising continuously, and currently contributes to 12.20% of the total energy generated. In terms of sector-wise break-up, the State and Central sector has the highest amount of generation capacity followed by the private sector. The State sector alone constitutes 40.77% of energy generation. The share of the private sector has been rising consistently in the past years and its share is expected to grow further in the Twelfth Five Year Plan.

Transmission of electricity is the bulk transfer of electricity from the generating power plants, over long distances, to the electrical sub-stations. High capacity transmission corridors comprising 765 KV AC and ± 800 KV 6,000 MW HVDC system along with 400 KV AC and ± 500 KV/600 KV 2,500 MW/6,000 MW facilitate transfer of power from remotely located generation complexes to bulk load centres. These corridors have already strengthened the National Grid capacity to more than 37,000 MW.

Distribution, the final stage of delivering electricity to the end-users, is done by HT and LT lines depending on the distance of transmission. India's distribution network includes more than 6.76 million ckm of lines. It has been estimated that the distribution lines and capacity growth is to grow at 3% and 7.5%, respectively. In order to sustain this growth, the government plans to add around 4.2 million ckm of distribution lines.

Trading and Exchanges are done through two operational power exchanges in the country, the Indian Energy Exchange (IEX) and Power Exchange India Limited (PXIL). By the end of 2009, trading accounted for 3% of the total power generation which rose to 9.7% in 2012.

Industry outlook

It has been projected that by 2030, the demand for electricity in India is expected to cross 950,000 MW. In order to meet the energy demands of the future, capacity addition of 100,000 MW has been estimated for the Twelfth Plan. To achieve this target, investments to the tune of \$206 billion is expected in the coming five years of which \$3.3 billion will be spent towards the nine Ultra Mega Power Projects (UMPP) of 4,000 MW each that has been planned by the government. About 80% of the planned capacity addition is to be coal-based, 13% gas based and the remaining 7% hydro-based.

To ensure that the transmitted power is well distributed to the

end user, the distribution system in India is to be expanded as well. In the Twelfth Five Year Plan, the government plans to add 4.2 million ckt kilometers of distribution lines through an investment of \$78 billion over the next five years. Special focus is to be given to the rural electrification under Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY). Better transmission and distribution is also to be attained by reducing the T&D and AT&C losses down to 25% and 15%, respectively.

Some of the regulatory reforms are also expected to aid growth in the Indian power sector:

- 100% FDI has been permitted in generation, transmission and distribution of electricity
- Electricity Act of 2003 and National Electricity Policy of 2005 permits
 1. Open access to transmission and distribution
 2. Competitive bidding process
 3. Central Electricity Regulatory Commission to advise Government of India on promoting competition
- Income tax holiday for a block of 10 years in the first 15 years of operation.
- Waiver of capital goods import duties on mega power projects (above 1,000 MW generation capacity)
- Independent regulators in Central Electricity Regulatory Commission for central PSUs and inter-state issues. Each state is also to have its own Electricity Regulatory Commission.

The Company

DPSCL, established in 1919, is one of the oldest power companies in India. It is an integrated power utility that deals in generation, distribution and trading of power.

The Company has a license area of 618 sq. km. in the key industrial belt of West Bengal, and serves a consumer mix principally consisting of collieries, government hospitals, public health enterprises and industrial and commercial consumers.

Generation

The Company boasts of 12 MW thermal power station is at Dishergarh, 10.40 MW wind power plant in Karnataka, 24.8 MW wind power plant in Gujarat and 60 MW wind power plant in Rajasthan. Alongwith these units, the Company also operates a 2 MW grid connected solar power station in association with the West Bengal Green Energy Development Corporation Limited.

The Company has continued to strengthen its electricity generation base. Other than commissioning of the 12 MW plant, a 3 x 150 MW Thermal Power Plant in Haldia, West Bengal is also under implementation and the Company also has initialised setting up a 2 x 270 MW Thermal Power Project in Raghunathpur.

The integration of business with IPCL has strengthened the renewable energy generation portfolio of the Company. As a result, the wind energy alone added 95 MW; 10.4 MW in Karnataka, 24.8 MW in Gujarat and 60 MW in Rajasthan; to its generation capacity.

Distribution

The Company's strong distribution network of 250 MVA is divided into three distribution circles. These three circles in Dishergarh, Seebpore and Luchipur are further divided into a total of 11 33/11 KV Substations. The distribution system also boasts of a minimal T&D loss of only 3%; compared to the industry average of 25%.

The Company completed the implementation of the Automatic Meter Reading (AMR) project as a part of its Smart Grid implementation, which will help in more efficient and quick online meter reading and bill generation thereby reducing the chances of errors which may result from human intervention.

Company's assets (lines, conductors, sub-stations among others) are mapped geographically from a remote location has helped in monitoring and understanding the network, immediate fault-finding, better maintenance of relatively older assets and informed decision-making.

Marketing arrangements

The Company has been in this line of business for the last 94 years with quality distribution of power over a licensed area of 618 sq km with. The Company supplies power to critical utilities like railways, underground coal mines of Eastern Coalfields Limited, hospitals, among others. The other players in its area of distribution are WBSEDCL and DVC which are government run utilities.

The Company is operating in an area of Asansol – Raniganj belt which is regarded as one of the premium industrial belt of West Bengal. A lot of industries are coming up in the specified industrial area of Jamuria, Ikra, Dhasaldanga and Mangalpur which is increasing further scope for the Company to expand its distribution business.

As the Company approaches its centenary year, it has already created its brand amongst its valued consumers having established wide network and service back up with high reliability and effective network management.

Risks and challenges

Fuel availability: Supply constraints for domestic coal remain and are expected to continue going forward. Consequently, public and private sector entities have embarked upon imported coal as a means to bridge the deficit. This has led to some Indian entities to take upon the task of purchasing, developing and operating coal mines in international geographies. While this is expected to secure coal supplies it has again thrown upon further politico-legal challenges which are specific to the region of import.

Equipment shortage: Equipment shortages have been a significant reason for India missing its capacity addition targets for the 10th five year plan. While the shortage has been primarily in the core components of Boilers, Turbines and Generators, there has been lack of adequate supply of Balance of Plant (BOP) equipment as well. These include coal-handling, ash-handling plants, etc. Apart from these, there is shortage of construction equipment as well.

Financials: Rapid build up of the generation capacity is being aided by setting up of Ultra Mega Power Projects (UMPPs) each of which is 4000 MW. However, the execution of the Ultra Mega Power Projects (UMPP) is a significant challenge as India has not witnessed an execution of such a large scale power project before.

Land acquisition and environment: Land Acquisition poses an increasingly significant challenge in the Indian Power sector. Power plants and utilities face major constraints and delays regarding the availability of land and obtaining the requisite environment and other clearances for the projects.

Corporate information

Board of Directors

Hemant Kanoria - Chairman
 Sunil Kanoria
 Amit Kiran Deb
 Debi Prasad Patra
 Jyoti Kumar Poddar
 Nand Gopal Khaitan
 Sunirmal Talukdar
 Tantra Narayan Thakur

Chief Executive Officer

Siddharth Ratilal Mehta

Company Secretary

Saikat Bardhan

Auditors

Lodha & Co.
 Chartered Accountants
 14, Government Place East
 Kolkata - 700 069

Registered office

Plot No. -X 1, 2&3 Block EP,
 Sector - V, Salt Lake City,
 Kolkata - 700 091.
 Tel: +91 33 6609 4308-10
 Fax: +91 33 6609 2452
 E-mail: info@dpscl.com
 Visit us at www.dpscl.com

Audit Committee

Shri Amit Kiran Deb - Chairman
 Shri Sunil Kanoria
 Shri Jyoti Kumar Poddar
 Shri N G Khaitan

Shareholders'/Investors' Grievance Committee

Shri Hemant Kanoria - Chairman
 Shri Jyoti Kumar Poddar
 Shri D P Patra

Remuneration Committee

Shri N G Khaitan - Chairman
 Shri Hemant Kanoria
 Shri Jyoti Kumar Poddar

Committee of Directors

Shri Hemant Kanoria - Chairman
 Shri Sunil Kanoria
 Shri Jyoti Kumar Poddar
 Shri D P Patra

Bankers

IDBI Bank Ltd
 The South Indian Bank Ltd
 AXIS Bank Ltd
 State Bank of India
 HSBC Bank

Annual General Meeting

Friday, 16th August, 2013 at
 11.00 a.m. at Registered
 Office, Plot X1, 2 &3, Block-EP,
 Sector -V, Salt Lake City,
 Kolkata – 700 091.

Registrar & Share Transfer Agent

CB Management Services (P) Ltd.
 P-22, Bondel Road,
 Kolkata- 700 019.
 Telephone : (033) 40116700/6711/6718
 Facsimile : (033) 2287 0263
 Email : rta@cbmsl.com

Directors' profile

Hemant Kanoria – Chairman

Shri Hemant Kanoria has over 33 years of experience in industry, trade and financial services. He is presently the Chairman of the National Committee on Infrastructure of Federation of Indian Chambers of Commerce & Industry (FICCI), Member of FICCI National Executive Committee and Council Member of Indo-German Chamber of Commerce. Previously, he has been on the Board of Governors of Indian Institute of Management - Calcutta, Member of Regional Direct Taxes Advisory Committee, Government of India and President of Calcutta Chamber of Commerce.

Sunil Kanoria

Shri Sunil Kanoria is a Chartered Accountant with more than 25 years of experience in the financial services industry. He is presently the Vice President of The Associated Chambers of Commerce & Industry of India (ASSOCHAM), Member of the Central Direct Taxes Advisory Committee and the Governing body member of the Construction Industry Development Council (CIDC). He has also served as President of Merchants' Chamber of Commerce, Federation of Indian Hire Purchase Association (FIHPA) and Hire Purchase & Lease Association (HPLA) and has also served as a Member on Planning Commission's Working Group on Construction for the Tenth Five Year Plan.

Amit Kiran Deb

Shri Amit Kiran Deb is a Masters Degree holder in Political Science from Allahabad University and had joined the Indian Administrative Service (IAS) in year 1971 assigned then to the West Bengal Cadre. Thereafter, he had served the Government in various critical departments and portfolios, including being the District Magistrate in Darjeeling and Midnapore, Commissioner-cum-Secretary, Education and Social Welfare Dept., Govt. of Tripura, Joint Secretary, Cabinet Secretariat and Joint Secretary, Department of Electronics and had also

represented Government of India in GATT negotiations in services in Geneva. Thereafter, he had held several key positions in Government of West Bengal like Special Secretary, Power Department, Principal Secretary, Information and Cultural Affairs Department, Principal Secretary to Chief Minister, West Bengal, Home Secretary, Government of West Bengal before retiring as Chief Secretary, Government of West Bengal.

Debi Prasad Patra

Shri Debi Prasad Patra IAS (Retd.) holds a Master Degree in Political Science from Delhi University. Sri Patra joined the Indian Administrative Service in 1979 and was assigned to the West Bengal Cadre and thereafter had a distinguished period spanning 24 years in Government wherein he had held several key portfolios including the post of Under Secretary, Home Department, District Magistrate of Darjeeling and South 24 Parganas, Director of Industries, Managing Director, West Bengal Industrial Development Corporation and Secretary, Information Technology. Sri Patra took voluntary retirement from Government services in year 2003 and from then has continued to enrich the Board of various reputed companies. Sri Patra currently is the Executive Chairman of MCC PTA India Corp. Pvt. Ltd. (MCPI), the leading Japanese FDI in India and Member of the Board of various other power companies like India Power Corporation Limited and India Power Corporation (Haldia) Limited.

Jyoti Kumar Poddar

Shri Jyoti Poddar is a commerce graduate having rich experience of 25 years as an industrialist with interests in multifarious sectors like tea gardens, real estate and power. Sri Poddar has handled the entire Indian & Sri Lankan operations in solar business for Shell Solar Ltd., Netherland and is actively involved towards contributing to the green energy mission of the country by way of setting up solar photovoltaic cell manufacturing unit and other power projects in India.

Nand Gopal Khaitan

Shri Nand Gopal Khaitan is an Attorney-At-Law, Advocate and Notary Public, practicing in the Hon'ble High Courts and the Hon'ble Supreme Court of India and is a Senior Partner of Khaitan & Co., a leading law firm in India. Mr. Khaitan passed his Attorneyship Examination from the Calcutta High Court in the year 1974 and stood first in the Preliminary, Intermediate and Final Examinations and was awarded Bell Chamber's Gold Medal by the Incorporated Law Society, High Court, Calcutta. He is a Notary Public appointed by the Govt. of India and is a Committee Member of FICCI, New Delhi, President of Indian Council of Arbitration, New Delhi, Executive Committee Member of Bharat Chamber of Commerce, Executive Committee Member of Mahadevi Birla Girls' Higher Secondary School and Executive Committee Member of The Agri-Horticultural Society of India, among holding honorary and executive membership in other esteemed Chambers and corporate bodies.

Sunirmal Talukdar

Shri Sunirmal Talukdar holds a Bachelors degree in Science and is a Chartered Accountant with more that 36 years of rich experience in corporate finance, risk management, mergers and acquisitions, public reporting and corporate governance.

In his career Sri Talukdar has spearheaded merger and acquisitions both at national and international level, undertaken corporate restructuring, fund syndication, public reporting under Indian and US GAAP, IFRS and possesses consistent track record of revenue achievement, team building and exemplary leadership qualities. Sri Talukdar in his earlier assignment was heading the entire gamut of financial functions of an Aluminium and Copper conglomerate having an annual turnover of USD 14 Billion.

Tantra Narayan Thakur

Shri Tantra Narayan Thakur a Bachelor of Science in Engineering from BIT, Sindri is an eminent visionary in the power sector who has led the introduction of power trading in India including development of a power market, the first of its kind in the South Asian region.

Shri Thakur has more than 40 years of extensive experience in the fields of treasury management, financial management including resource mobilisation, investment decisions and appraisal of project lending and during the past has lead the Board of several renowned companies including being the Chairman and Managing Director of PTC India Limited, Chairman and Managing Director of PTC India Financial Services Limited and also Chairman to the Board of PTC Energy Limited, Director (Finance and Financial Operations) Power Finance Corporation Limited and serving the Government of India in various leadership roles. During his long professional stint, Shri Thakur has been conferred several prestigious awards including " Udyog Rattan Award" by the Institute of Economic Studies (IES) in 2004. " Eminent Engineer" Award by the Institution of Engineering and Technology, UK(Delhi International Branch) in 2005 and also selected by International Who's Who of Professionals as an honoured member of the " Who's Who Historical Society" for the year 2009.

Directors' report

Your Directors are pleased to present the 93rd Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2013.

Highlights:

- ▶ Revenue increased by 20% to ₹64747 Lakh from ₹53873 Lakh
- ▶ EBITDA increased by 106% to ₹7239 Lakh from ₹3188 Lakh
- ▶ PAT increased by 134% to ₹2759 Lakh from ₹1189 Lakh

Financial Results: [2012-2013]

	₹ in Lakh	
	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	65919.18	54470.65
Total Expenditure	61671.88	52731.48
Profit before Tax	4247.30	1739.17
Less: Provision for Taxation:		
Current Tax	0.36	427.34
Deferred Tax & Fringe Benefit Tax	1488.13	131.29
Profit after Tax	2758.81	1180.54

Dividend:

The Board of Directors are pleased to recommend a dividend of ₹0.50 per share on the paid up equity share capital for the year ended 31st March 2013, subject to the approval of the shareholders in the Annual General Meeting. The dividend, if approved, will result in a payout of ₹486.90 Lakhs and shall be subject to Corporate Dividend Tax to be paid by your Company but will be tax free in the hands of the shareholders.

New Listing:

The Equity Shares of the Company have been listed on the MCX-SX Stock Exchange Ltd. (MCX-SX) with effect from 3rd May, 2013 as DPSC LTD-EQ, in addition to the existing listing in the National Stock Exchange of India Ltd and the Calcutta Stock Exchange Ltd. The shares are being actively traded in the NSE & MCX-SX.

Amalgamation of India Power Corporation Limited [IPCL] with DPSC Limited [DPSC]

The Board of Directors of the Company at their meeting held on February 10, 2012 had approved the Scheme of Amalgamation of IPCL with your Company with the objective of synergistic consolidation and integration. Thereafter, the said Scheme was also approved by the shareholders and creditors of your Company vide their meetings held on 30th June 2012 respectively.

The said Scheme thereafter has been sanctioned by the Hon'ble High Court, Calcutta on April 17, 2013 and has become effective thereby on and from the effective date. The amalgamation has enabled appropriate consolidation of the activities of your Company and IPCL, and as such would create greater synergies between the businesses of both the companies and has enabled

the Company to have a larger asset base, access to 95 MW of operational wind assets, larger access to financial resources, as well as having a larger pool of human capital that will result in optimal utilisation of resources and enable efficient & effective management of investments in power business.

This amalgamation will integrate the generation and distribution business of the Company & bring it on a higher platform.

Share Capital

Authorised Share Capital:

Pursuant to the Amalgamation, the Authorized Share Capital of your Company increased from ₹100,00,00,000 to ₹1700,00,00,000 divided into 1699,72,00,000 Equity shares of ₹1/- each and 16000 10% "A" Cumulative Preference Shares of ₹100/- each and 12000 10% "B" Cumulative Preference Shares of ₹100 each.

Paid Up Share Capital:

In terms of the Scheme, the shareholders of IPCL are entitled to be allotted 11 Equity Shares of ₹1 each of your Company for every 100 Equity shares of IPCL held by them totaling to allotment of 112,02,75,823 shares of ₹1 / each. The holding of IPCL in your Company however stands cancelled pursuant to the amalgamation and accordingly the paid-up equity share capital of the Company upon allotment of the consideration shares as envisaged above will be increased from ₹97,37,89,640 to ₹157,79,33,089 comprising 157,79,33,089 equity shares of ₹1 each.

Review of Operations:

Your Company recorded substantial growth in its income from Operations, which was ₹649.82 Crore for the financial year ended 31st March 2013, as against previous year figures of 541.45 Crore, reflecting a 20% growth. This was due to additions in customer base and increase in tariff pursuant to the Multi Year Tariff Order passed by the regulator. The Company distributed 1020 million units of power during the year ended 31st March 2013 as compared to the previous year's figures of 998 million units. The Profit after Tax for the year ended 31st March 2013 was 27.59 crore as against the previous year's figures of 11.89 crore, recording a 134% rise.

T & D loss figures of the current year was at 2.9%, as against 3% for previous year, demonstrating a steady improvement in efficiency standards.

Tariff:

Pursuant to the Order of West Bengal Electricity Regulatory

Commission dated 14th February 2013 your company has been allowed Multi Year Tariff [MYT] for the three year block of 2011 to 2014 and the tariff of your company stands revised accordingly.

Projects:

For the year under review, your Company has continued its infrastructure expansion and augmentation projects, aimed towards ensuring better quality and reliability of supply to its consumers and building self-sustaining infrastructure, in line with its long-term growth plans.

Your Board is pleased to inform that the 12 MW thermal power project at Dishergarh has commenced commercial operations during the year and has been performing steadily since then.

On the distribution front, the Company has completed its 220 KV Sub Station at J. K. Nagar and has made considerable progress towards completion of its 33 KV Sub Station project at Nigha.

Sales and Marketing:

Your Company has continued with its customer satisfaction and quality service initiatives, conducted customer meets, surveys and awareness programmes for customer retention and servicing. The Company's customer service help line numbers were actively into operation throughout the year, catering to several customer queries and service calls in real time.

Accounting Policies:

Significant Accounting Policies adopted by the Company are detailed in the Notes 1 of the Financial Statement.

Training:

The Company continued its endeavour to impart necessary developmental training to its employees and stakeholders for awareness, growth and planning. The Company had undertaken focused in-house training programmes for nurturing its human capital, participated in seminars, workshops and development programmes aimed at increasing efficiency and productivity among employees and increasing stakeholders' awareness and participation.

Personnel:

Industrial Relations in the Company continued to be satisfactory throughout the year under review.

Information as per Section 217 (2A) of the Companies Act, 1956 (the Act), read with the Companies (Particulars of Employees)

Rules, 1975, forms part of this report. As per the provisions of Section 219(1)(b)(iv) of the Act, the Directors' Report and Accounts are being sent to the shareholders excluding the statement giving particulars of employees under Section 217 (2A) of the Act.

Any shareholder interested in obtaining a copy of the statement, may write to the Secretary at the registered office of the Company.

Social Responsibility & Welfare:

Corporate Social Responsibility (CSR) has always been an integral part of the vision of the Company and has been the cornerstone of its core value of Good Corporate Citizenship. CSR for the Company is well encompassing, including making socially responsible products, engaging in responsible employee relations, and not only making a responsible commitment to the community but also encouraging employee engagement in community initiatives.

Your Directors' are pleased to inform that the Company has contributed part of its earnings on a yearly basis for the Company's CSR initiatives, largely to benefit the socially and economically underprivileged sections of the society. While the Company's focus area for CSR has been in the field of education, as responsible citizens, the Company has also been actively supporting issues such as health and environment.

Particulars of Conservation of Energy and Technology Absorption:

The information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure) of Particulars in the Report of Board of Directors Rules 1988, is given in the Annexure forming part of this report.

Risk Management:

As part of the Risk Management framework, the Company reviewed periodically the various risks and finalised mitigation plans. The risk areas identified by the Risk Management framework were covered by the Internal Audit and major risks were discussed periodically.

Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Manager's and Auditors' Certificate regarding compliance of conditions of Corporate Governance

form a part of this Report.

A Code of Conduct, as applicable to the Board Members and Senior Management personnel, has been adopted and practiced and is available on the Company's website at www.dpocl.com.

Directors' Responsibility:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Management, confirm that:

- (i) annual accounts have been prepared in consonance with the applicable accounting standards with proper explanations relating to material departures;
- (ii) appropriate accounting policies have been selected and applied consistently and on the basis of judgements and estimates that are reasonable and prudent so as to give a true and fair view of the annual accounts of the Company as at March 31, 2013 and of the Profit of the Company for the year ended on that date ;
- (iii) proper and sufficient care have been taken for maintenance of proper accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting frauds and irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

Statutory Disclosures:

None of the Directors of the Company are disqualified as per the provisions of Section 274(1) (g) of the Companies Act, 1956.

Directors:

Shri Anup Bhargava, Director of the Company had tendered his resignation from the Board with effect from 17th December, 2012. Shri Tantra Narayan Thakur has been appointed as an additional director on and from 27th May 2013 who will hold office till the date of this Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from the members of the Company proposing his appointment as Director at the Annual General Meeting of the Company and Shri Thakur has consented to act as such, if appointed.

Shri Hemant Kanoria and Shri Sunil Kanoria retire from the Board by rotation and being eligible, offer themselves for reappointment.

Manager:

The Board of Directors at its meeting held on 27th July, 2012 approved the variation in terms of remuneration of Shri Jyotirmay Bhaumik, Manager designated as Chief Executive Officer of the Company for the remaining period of his tenure of the office with effect from 1st April, 2012 , subject to the approval by shareholders of the Company in the ensuing Annual General Meeting. Shri Jyotirmay Bhaumik, has relinquished his office as CEO and Manager on 1st May, 2013 pursuant to his transfer to India Power Corporation (Haldia) Limited, a group company which is constructing a 3 X 150 MW thermal power plant in Haldia, West Bengal. Board recommends approval of variation in his remuneration.

Your directors are pleased to inform that, pursuant to the above transfer, Shri Siddharth Ratilal Mehta B.E.(Electrical), Indian Institute of Science, has joined the Company as Chief Executive Officer (CEO) to overview the operations and projects of the Company. Shri Mehta brings with him 30 years of rich experience in Power Sector covering areas of Strategy and Business Development, Project Coordination, Management & Execution, Corporate Governance, Business Expansion & growth. Prior to this assignment, Shri Mehta was associated with Essar Power as Head-Business Development and CEO, of their Power Distribution Company. During his long professional career, Shri Mehta has been associated with Torrent Power Ltd as Vice President and with Tata Power Ltd as Assistant General Manager-Business Development Group.

The Board of Directors of the Company at their meeting held on 27th May, 2013, has, subject to the approval of the Members in a General Meeting and all other statutory approval, if any required, approved the appointment of Shri Siddhartha Mehta as Manager of the Company for a period of five years with effect from 2nd May, 2013 or till his superannuation whichever is earlier.

The details of the terms and conditions of appointment and remuneration of Shri Mehta as Manager of the Company has been set out in the notice convening this meeting.

Auditors:

Messers Lodha & Co., Chartered Accountants, will retire as Statutory Auditors at the ensuing Annual General Meeting and are eligible for re-appointment, pursuant to Section 224 of the Companies Act, 1956, (as per the certificate furnished by them)

regarding their eligibility for re-appointment for the financial year ending 31st March 2014 as the Auditors of the Company.

Cost Auditor:

Messers Mani & Co., Cost Accountants, pursuant to the direction of the Central Government, Govt. of India, was appointed as Cost Auditor of the Company for conducting Cost Audit for generation, transmission and distribution of electricity business of the Company for the financial year ended 31st March, 2013.

Acknowledgement:

The Board of Directors acknowledge and place on record their appreciation for the guidance, co-operation and encouragement extended to the Company by the Ministry of Power, Hon'ble West Bengal Electricity Regulatory Commission, various Ministries of the Central and State Governments, particularly the Power Departments, West Bengal State Electricity Distribution Co. Ltd., West Bengal Green Energy Development Corporation Limited, Damodar Valley Corporation, Coal India Limited, Eastern Coalfields Limited, Department of Public Enterprises, Securities and Exchange Board of India, National Stock Exchange of India Limited, MCX Stock Exchange Limited, Calcutta Stock Exchange Ltd and other concerned Government departments/agencies at the Central and State level etc.

The Board also conveys its gratitude to the shareholders, various Indian Banks/Multilateral agencies/financial Institutions/ credit rating agencies for the continued trust and for the confidence reposed by them in DPSC. Your Directors would also like to convey their gratitude to the clients and customers for their unwavering trust and support.

The Company is also thankful to the Statutory Auditors for their constructive suggestions and co-operation. The Board would also like to place on record our appreciation for the untiring efforts and contributions made by the employees to ensure excellent all round performance of the Company.

On behalf of the Board,

Kolkata,
27th May, 2013

Hemant Kanoria
Chairman

Annexure to Directors' Report

INFORMATION PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

A. Conservation of Energy

The Company has always been conscious about the need for conservation of energy and has been taking measures to this effect in all possible areas to conserve national resources.

(a) Measures taken

Distribution

- i) Feeder level energy accounting has been implemented and identification of high loss feeders is in progress to minimize the loss figure to the desired level.
- ii) 11 KV feeder level metering has been implemented for accurate energy accounting for taking appropriate remedial measures in loss prone areas.
- iii) Re-orientation of Load has been carried out for saving in transformer/feeder losses.
- iv) Energy Conservation drive for all consumers has been undertaken for efficient use of Power.
- v) Construction of 33/11 KV Sub-station at Nigha to reduce the loss figures of 4 nos. high loss feeders under Seebpore Distribution.
- vi) Introduction of Feeder level capacitor in 4 nos. feeder as a pilot project to reduce the losses. Total project will be taken up after successful completion of this pilot project.

Power Stations

- i) Phased installation of Variable Frequency Drives (VFD) for critical auxiliaries.
- ii) Operation Checklists have been introduced to achieve maximum efficiency from the boiler combustion system.
- iii) Re-arrangement of illumination and luminaries including replacement of conventional chokes by new generation electric chokes have been carried out for energy saving purpose.
- iv) Performance Monitoring Cell for the power stations is regularly studying and identifying the possible energy saving areas in respect of the power stations auxiliaries for taking remedial measures.
- v) Comprehensive energy audit has been carried out in the Power Stations by External Auditors.

(b) Improvements

There have been general improvements in operating

efficiency of the power stations and distribution system.

(c) Impact of (a) and (b)

Major impacts of the energy conservation measures are :-

- i) substantial savings in distribution losses;
- ii) substantial energy savings due to improved and modified illumination system in powerhouses.

B. Technology Absorption

(a) Research & Development

The Company, as such, does not carry out any in-house basic work in Research & Development. However, for major activities of development, whenever contemplated in various areas of power generation and distribution, the expertise of Central Electricity Authority (CEA) and National Productivity Council (NPC) in the field of power is obtained.

(b) Technology absorption, adoption & innovation

The Company considers Information Technology (IT) support as a key factor to its strategy for growth. During the year under review, the Company has continued its initiatives towards technology adoption in the following areas:-

- i) Local Area Network (LAN) with fiber optic cabling for office automation and SAP implementation to integrate Operation & Maintenance, Material management, Financial management and HR management functions of the organization;
- ii) IT support for energy accounting system to conduct energy audits;

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned:	₹ Nil
Foreign Exchange used for travelling, Tender and consultancy	₹1.96 Lakh
Expenditure in Foreign Currency during the year	₹ Nil

On behalf of the Board,

Kolkata,
27th May, 2013

Hemant Kanoria
Chairman

Annexure to Directors' Report

REPORT ON CORPORATE GOVERNANCE

Corporate governance is considered as fundamental tools for the robust operation of corporate entity. Sound governance practices and responsible corporate behavior contribute to superior long-term performance of companies. Adaptation to changing times is the key to corporate growth and long term survival. Continuous improvement is necessary in corporate governance as well. In fact, better governance practices enable companies to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase public understanding of the key activities and policies of the organisation. Indian companies have adopted better governance practices and have demonstrated openness in their dealings with stakeholders across the board. This has been augmented by regulatory authorities introducing and improving governance practices for Indian companies over the years.

1. Company's Philosophy on Code of Governance:

The Company believes that the Corporate Governance Code of the Listing Agreement ("the Code") prescribes only a minimum framework for governance of a business in corporate framework. However, the Company's philosophy is to develop this desired minimum framework and institutionalise the spirit it entails for enabling a sustainable value creation. This will lay the foundation for further development of superior governance practices, which are vital for growing successful business and for furthering the interest of all stakeholders in the best possible manner. The Company recognises

that transparency, disclosure, financial controls and accountability are the pillars of any good system of corporate governance. The Company also believes that due emphasis on regulatory compliances including adoption of environment friendly technology; complete customer satisfaction through uninterrupted, reliable, quality power supply and discharge of social obligations as a responsible corporate member of the Society/Community.

2. Board of Directors:

2.1 Composition

The Board of Directors of the Company is composed of professionals drawn from diverse fields, who provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. As at 31st March, 2013, the Board comprises seven Directors of which three Directors on the Board including the Chairman are Non-Executive Directors and four are Non-Executive Independent Directors on Board.

The composition of Board is compliant with the requirements of sub clause (I) (A)(i) and (I) (A) (ii) of Clause 49 of the Listing Agreement.

The Board has appointed Shri Jyotirmay Bhaumik, Manager as Chief Executive Officer (CEO) of the Company in terms of provisions of Section 2(24) of the Companies Act, 1956.

Composition, Category, Other Directorships, Other Committee Positions held by the Directors as on 31st March, 2013.

Name of Directors	Category	No. of Other Directorships in Public Limited Companies incorporated in India	Other Committee Positions [#]	
			As Chairman	As Member
Shri Hemant Kanoria	Non-Executive Chairman	5	1	1
Shri Sunil Kanoria	Non-Executive Director	4	-	4
Shri Debi Prasad Patra	--do--	3	-	-
Shri Jyoti Kumar Poddar	Non-Executive Independent Director	1	-	-
Shri Nand Gopal Khaitan	---do---	8	1	8
Shri Amit Kiran Deb	---do---	2	-	-
Shri Sunirmal Talukdar*	---do---	-	-	-

* Appointed w.e.f. 7th May, 2012.

Positions held in Audit and Shareholders' /Investors' Grievance Committees in other Indian Public Limited Companies.

2.2 Board Meeting

The Board of Directors of the Company met four times during the year 2012-2013.

The Board meetings during the financial year 2012-2013 were held on 25th May, 2012; 27th July, 2012; 8th November, 2012 and 12th February, 2013. The gap between any two consecutive meetings did not exceed four months.

2.3 Attendance of Directors

Attendance of Directors at the Board Meetings held during 2012-2013 and at the last Annual General Meeting (AGM)

Name of Directors	No. of Meetings attended out of Four Meetings held during 2012-2013.	Whether Attended last AGM held on 27th July, 2012.
Shri Hemant Kanoria	4	Yes
Shri Sunil Kanoria	3	Yes
Shri Jyoti Poddar	4	Yes
Shri Nand Gopal Khaitan	3	Yes
Shri Debi Prasad Patra	4	Yes
Shri Amit Kiran Deb	4	Yes
Shri Sunirmal Talukdar*	3	Yes
Shri Anup Bhargava**	1	Yes

* appointed w.e.f. 7th May, 2012

** appointed w.e.f. 25th May, 2012 and ceased w.e.f. 17th December, 2012

2.4 Code of Conduct

In terms of sub clause (i) of Clause 49I(D) of the Listing Agreement the Board has adopted a Code of Conduct (Code) for all Board Members and Senior Management personnel of the Company. The Board Members and Senior Management Personnel have affirmed compliance

of the Code in terms of sub clause (ii) of Clause 49I (D) of the Listing Agreement. A declaration to this effect from the Manager (CEO) of the Company for the financial year ended on 31st March, 2013 is annexed to this report. The Code is available on the Website of the Company.

2.5 Prevention of Insider Trading

As per the SEBI (Prohibition of Insider Trading) Regulations 1992, the Company Secretary is the Compliance Officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading as well as a Code of Corporate Disclosure Practices. All the Directors on the Board, employees at senior management level at all locations and other employees who could be privy to unpublished price sensitive information of the Company are governed by this Code.

3. Audit Committee:
3.1 Composition:

3.1.1 The Audit Committee (the Committee) of the Company is existing since May 1997 and later re-constituted in terms of Clause 49 of the Listing Agreement. The Committee during the year comprised of Shri N G Khaitan, Shri Jyoti Kumar Poddar, Shri Sunil Kanoria as Members and Shri Amit Kiran Deb as Chairman.

3.1.2 Shri Sunil Kanoria is a qualified Chartered Accountant who has the requisite knowledge of finance and accounts and other Members of the Committee are also financially literate.

3.1.3 Shri Saikat Bardhan, Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

3.2 Terms of Reference

The present terms of reference of the Committee are in conformity with the requirements of Clauses 49 II (C) and 49 II (D) of the Listing Agreement and Section 292A of the Companies Act, 1956. Major terms of reference of the Committee include overseeing the financial reporting process, review of financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment and remuneration of statutory auditors to the Board of Directors and to review adequacy of internal control systems and internal audit function. The Committee also reviews Risk Management framework concerning

the critical operation of the Company, Management Discussion & Analysis of the Company's operations, significant related party transactions.

The Committee Meetings were attended by the Manager as an invitee. The Statutory Auditors also attended the meetings as and when required. The Committee also invites the representatives of Protiviti Internal Audit team for obtaining valuable guidance from their expertise in best practices in Internal Audit. The minutes of the Audit Committee meetings were circulated to the Board, discussed and taken note of.

3.3 Attendance of Members at the Meetings of the Audit Committee held during 2012-2013.

3.3.1 Four meetings were held during the year on 25th May, 2012; 27th July, 2012; 8th November, 2012 and 12th February, 2013. The gap between any two consecutive meetings did not exceed four months.

Members	Meetings Attended
Shri Amit Kiran Deb	4
Shri Jyoti Kumar Poddar	4
Shri Sunil Kanoria	3
Shri N G Khaitan	3

3.3.2 Shri Amit Kiran Deb, the Chairman of Audit Committee has attended the last Annual General Meeting of the Company held on 27th July, 2012.

4. Remuneration Committee:

4.1 The Remuneration Committee (Committee) of the Company, during the year, comprised of Shri Hemant Kanoria, Shri Jyoti Kumar Poddar as members and Shri Nand Gopal Khaitan as Chairman. The broad terms of reference of the Committee is to:

4.1.1 Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Executive Director/Manager.

4.1.2 Finalize the perquisites of the Executive Director/Manager within the overall ceiling fixed by the Board.

4.2 The Committee met once during 2012-2013 on 27th July, 2012 and all the members of the Committee were present at the meeting.

4.3 All decisions on remuneration payable to Executive and Non-Executive Director(s) are taken by the Board of Directors and approved by the members at the Annual General Meeting of the Company. The remuneration paid to Manager as per the terms of appointment as approved by the Board of Directors and members of the Company. Such amount paid/payable to the Manager for the financial year ended 31st March, 2013 is as under: -

		₹ in Lakh Shri Jyotirmay Bhaumik*
(i)	Salary	66.55
(ii)	Contribution to Provident and Other Funds	2.60
(iii)	Provision for Gratuity	0.98
(iv)	Perquisites	0.56
(v)	Commission	-
	Total	70.69

Service Contracts, Notice Period and Severance fees

*Period of Contract:

5 years from 1st August, 2010 or till the age of superannuation, whichever is earlier. However he has relinquished his office on 1st May, 2013.

Severance fees: **Not Paid.**

4.4 The Non- Executive Directors do not have any material pecuniary relationship/ transactions with the Company in their personal capacity other than Sitting Fees which are paid at the rate of ₹ 7,500/- for each meeting of the Board and ₹ 3,000/- for each meeting of the Audit Committee, Shareholders Grievance Committee, Remuneration Committee and Committee of Directors Meeting attended by them.

4.5 Details of sitting fees paid to the Non- Executive Directors and their share holding in the Company.

Name of Directors	Sitting Fees paid during the year (₹)	Ordinary Shares held as on 31st March, 2013
Shri Hemant Kanoria	75,235	NIL
Shri Sunil Kanoria	54,622	NIL
Shri Jyoti Kumar Poddar	87,677	NIL
Shri Nand Gopal Khaitan*	36,169	NIL
Shri Debi Prasad Patra	53,043	NIL
Shri Amit Kiran Deb	44,596	NIL
Shri Sunirmal Talukdar	24,354	NIL
Shri Anup Bhargava	7,500	NIL
	3,83,196	

The Company does not have any convertible instruments.

*Khaitan & Co., Solicitor of the Company of which Shri Nand Gopal Khaitan is a Partner rendered professional services to the Company on receipt of fee.

5. Shareholders Committee:

5.1 The Board of Directors of the Company constituted Shareholders' / Investors' Grievance Committee (the Grievance Committee) in the year 2002 which is in conformity with the requirement of sub clause (iii) of Clause 49(IV)[G] of the Listing Agreement. The Grievance Committee during the year comprised of Shri Debi Prasad Patra and Shri Jyoti Kumar Poddar as members and Shri Hemant Kanoria as Chairman.

The terms of reference of the Grievance Committee is to ensure effective redressal of complaints of the shareholders such as dematerialization, transfer, non-receipt of annual report/ dividend/ share certificate, etc.

5.2 The Grievance Committee met once during the year 2012-13 on 12th February, 2013 and all the members of the Committee were present at the meeting.

5.3 Shri Saikat Bardhan, Secretary of the Company was delegated with the power of share transfers in terms of sub clause (iv) of Clause 49 IV (G) of the Listing Agreement. He has also been designated as Compliance Officer of the Company to deal with share transfers and other related matters.

5.4 During the year one complaint was received from the shareholder and which was replied to the satisfaction of the shareholder. No valid requests for share transfer, issue of duplicate share certificates, etc. were pending as on 31st March, 2013 beyond 30 days for processing.

6. Other Committees:

6.1 Committee of Directors

The Company has a Committee of Directors comprised of Shri Hemant Kanoria as Chairman and Shri Sunil Kanoria, Shri Debi Prasad Patra and Shri Jyoti Kumar Poddar as Members with a view to have a more focused attention on various facets of business and for better accountability particularly to monitor various upcoming Thermal Power Projects viz., 1X12 MW Renovation Project at DPS; 2X270 MW Projects at Raghunathpur, Purulia-W.B., 220/ 33 KV Sub-Station at J K Nagar, 220 KV Transmission Line, Auto Meter Reading Project and Construction of 33 KV Sub-Station at Dhadka, Poidih, Parbelia, Chalbalpur and Dhasaldanga.

6.2 The Committee met twelve times during the year 2012-13 on 17th April, 2012; 12th June, 2012; 17th July, 2012; 21st August, 2012; 13th September, 2012; 19th September, 2012; 18th October, 2012; 15th November, 2012; 19th December, 2012; 10th January, 2013; 12th February, 2013 and 26th March, 2013.

Members	Meetings Attended
Shri Hemant Kanoria	12
Shri Jyoti Kumar Poddar	11
Shri Sunil Kanoria	6
Shri Debi Prasad Patra	8

7. General Body Meetings:

7.1 Location and time of Annual General Meetings (AGM) held in last three years:

Year	Location	Date	Time	Special Resolution passed
2009-2010	"Registered Office" Plot No.-X 1, 2&3 Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.	26th June, 2010	11:00 a.m.	No
2010-2011	"Registered Office" Plot No.-X 1, 2&3 Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.	29th July, 2011	11:00 a.m.	No
2011-2012	"Registered Office" Plot No.-X 1, 2&3 Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.	27th July, 2012	11:00 a.m.	No

7.2 There were no special resolutions passed by the Company through Postal Ballot during the year and no resolution is proposed to be conducted by means of Postal Ballot at present.

7.3 Resume and other information regarding the directors seeking appointment/ reappointment as required by sub clause (i) of Clause 49 IV (G) of the Listing Agreement has been given in the Notice of the Annual General Meeting annexed to this Annual Report.

8. Disclosures:

8.1 List of related party transactions indicating relationship as required to be disclosed under Accounting Standard (AS) 18 have been furnished in Note 29.6 to the Audited Annual Accounts which forms part of this Annual Report. However, none of these related party transactions have potential conflict with the interest of the Company at large.

8.2 No penalties, strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last three years.

8.3 Disclosure of Accounting Treatment

The accounts for the year ended 31st March, 2013 have been prepared in keeping with West Bengal Electricity

Regulatory Commission (Terms & Conditions of Tariff) Regulation, 2007 (as amended) issued pursuant to the provisions of The Electricity Act, 2003 and applicable for the year ended 31st March, 2013 as indicated in Note 1(a) on Significant Accounting Policies. The accounting policies followed for preparation of these accounts, are generally in keeping with the Companies (Accounting Standard) Rules, 2006.

8.4 Disclosures on Risk Management

The Board of Directors has laid down procedures for assessment and minimization of risk which is being reviewed and updated periodically.

8.5 Management Discussion and Analysis

Management Discussion and Analysis forms part of this Annual Report.

8.6 CEO/CFO Certification

A certificate from the Manager (CEO) and the Chief Financial Officer (CFO) of the Company in terms of Clause 49 (V) of the Listing Agreement for the year ended 31st March, 2013 was placed before the Board in its meeting held on 27th May, 2013.

8.7 All mandatory requirements have been appropriately complied with and the non mandatory requirements are dealt with at the end of the report.

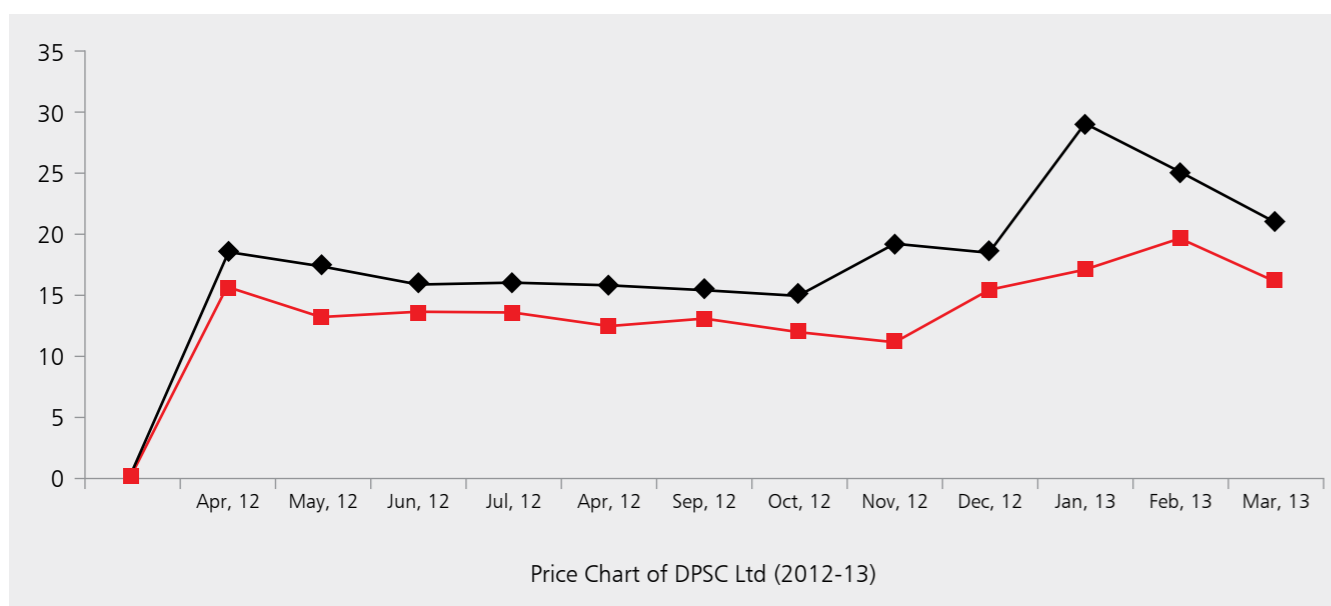
9. Means of Communication:

a)	Quarterly Results	Published in Newspapers like Business Standard and Aajkal
b)	Website, where displayed	www.dpscl.com
c)	Whether it also displays Official news releases and presentation made to institutional investors /analysts	Presentations are made to institutional investors upon their specific request(s)

10. General Shareholder Information

I) Annual General Meeting	Date & Time: Friday, 16th August, 2013 At 11.00 a.m. Venue: REGISTERED OFFICE: Plot No.-X 1, 2&3 Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.
II) Financial Year	1st April to 31st March
III) Book Closure Date	17th July, 2013 to 20th July, 2013 (both days inclusive)
IV) Dividend Payment Date	Dividend @ ₹ 0.05 per share will be paid within 30 days from the Annual General Meeting, on or after 20th August 2013.
V) Listing on Stock Exchanges	The Calcutta Stock Exchange Ltd., (CSE) 7, Lyon's Range, Kolkata- 700 001. National Stock Exchange of India Ltd., (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai- 400 051. Listing fees have been paid and there is no fee outstanding as on date.
VI) Stock Code	CSE DPS CO. : 14021 NSE DPSCLTD
VII) Market Price Data :	Shares of the Company are listed with CSE & NSE. The Shares of the Company are traded only at NSE and the monthly movement of share price during the year at NSE is summarised below:

Months	NSE		
	High (₹)	Low (₹)	Volume ₹ in Lakh
April, 2012	18.50	15.60	112.61
May, 2012	17.35	13.15	40.01
June, 2012	15.90	13.60	48.55
July, 2012	16.00	13.50	35.92
August, 2012	15.80	12.50	125.52
September, 2012	15.40	13.00	41.41
October, 2012	14.90	12.00	123.88
November, 2012	19.25	11.25	361.50
December, 2012	18.50	15.40	116.87
January, 2013	29.10	17.20	768.12
February, 2013	24.95	19.50	75.65
March, 2013	20.90	16.15	185.14



Performance and comparison to broad based indices such as BSE Sensex etc.	Market Price Data and Comparison of the share prices with BSE Sensex is not given, as the shares of the Company were not listed on BSE. Shares of the Company are being traded only at NSE though it is also listed with CSE.
VIII) Registrar & Share Transfer Agents	C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata - 700 019. Phone: (033) 40116700/6711/6718/6723; Fax: (033) 2287 – 0263; e-mail: rta@cbmsl.com

IX) Distribution of Shareholding as on 31st March, 2013

By Category of Shareholders

	Category	No. of share(s) held	Percentage (%) to total
A	Promoter(s) Holding		
1.	Promoters		
	a. Indian Promoters	90,56,48,230	93.00
	b. Foreign Promoters	-	-
2.	Persons Acting in Concert	-	-
	Sub Total	90,56,48,230	93.00
B.	Public Share Holding		
3.	Institutional Investors		
	a. Mutual Funds and UTI	-	-
	b. Bank/ Financial Institutions/ Insurance companies	11,96,230	0.12
	c. FIs	-	-
	Sub Total	11,96,230	0.12

IX) Distribution of Shareholding as on 31st March, 2013 (Contd.)

By Category of Shareholders

	Category	No. of share(s) held	Percentage (%) to total
4.	Others		
	a. Bodies Corporate	4,71,18,953	4.84
	b. Indian Public	1,95,75,137	2.02
	c. Non-Resident Indians	1,96,624	0.02
	d. Public Sector company	34,500	0.00
	e. CM/CC	19,966	0.00
	Sub Total	6,69,45,180	6.88
	Grand Total	97,37,89,640	100.00

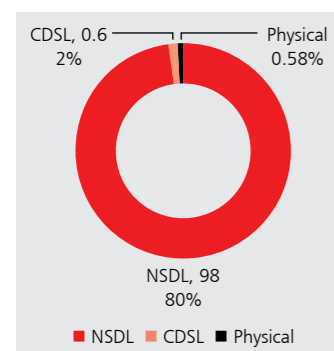
By Size of Shareholding

Range From	To	Numbers of Shares	%	Number of Shareholders	%
1	500	1,86,056	0.02	1,068	50.62
501	1,000	1,73,814	0.02	204	9.67
1,001	2,000	3,40,134	0.03	239	11.33
2,001	3,000	3,18,779	0.03	129	6.11
3,001	4,000	1,30,782	0.01	36	1.71
4,001	5,000	2,26,658	0.02	49	2.32
5,001	10,000	5,94,429	0.06	84	3.98
10,001	50,000	45,23,498	0.46	192	9.10
50,001	1,00,000	42,66,772	0.44	55	2.61
1,00,001	and Above	96,30,28,718	98.89	54	2.56
Total		97,37,89,640	100.00	2,110	100.00

X) Share Transfer System

The shares in physical form for transfer should be lodged at the office of the Company's Registrar and Share Transfer Agent, C B Management Services (P) Ltd., Kolkata. The transfers are processed within 14 days from the date of such request for transfer, if technically found to be in order and complete in all respects. As per directives issued by SEBI it is compulsory to trade in Company's equity shares in dematerialised form.

XI) Dematerialization of Shares as on 31st March, 2013.



The Company has entered into arrangements with National Securities Depository Ltd., and Central Depository Services (India) Ltd., whereby Shareholders have an option to dematerialize their shares with either of the depositories.

As on 31st March, 2013 96,81,63,269 shares representing 99.42% of the total shares have been dematerialized.

DEMAT ISIN Number: INE360C01024

XII) Outstanding GDRs /ADRs / Warrants or any Convertible Instruments, conversions date and likely impact on equity.

Not Applicable

XIII) Plant Locations.

Dishergarh Power Station

Sanctoria, P.O.: Dishergarh, Burdwan – 713 333
Ph. 0341 2520 023 Fax. 0341 2520 022

XIV) Address for Correspondence.

Secretary
DPSC Limited
Plot No.-X-1, 2&3 Block EP, Sector-V,
Salt Lake City, Kolkata- 700 091.
Telephone : 033-6609 4308/09/10
Fax : (91) (33) 2357 2452
Email : sb@dpscl.com

Status of Adoption of the Non Mandatory Requirement

1. The Board

The Company does not provide any office facility to the non-executive Chairman. None of the Independent Directors has the tenure in aggregate on the Board for more than nine years.

2. Remuneration Committee

The Company has a Remuneration Committee as referred in Section 4 of this report.

3. Audit Qualification

Observations of the Auditors have been appropriately addressed in the Directors' Report.

4. Other Items

The rest of the Non-Mandatory requirements such as **Shareholders Rights; Training of Board Members; Mechanism for evaluating non-executive Board Members and Whistle Blower Policy** will be implemented by the Company as and when required and/or deemed necessary by the Board.

On behalf of the Board,

Hemant Kanoria
Chairman

Kolkata,
27th May, 2013

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted the Code of Conduct for its Board Member and Senior Management Personnel including Managing Director as well as Non-Executive Independent Directors and the same are available on the website of the Company.

I also confirm that the Company has received a declaration of compliance with the Code of Conduct as applicable by the Members of the Board and Senior Management Personnel of the Company for the financial year ended 31st March, 2013.

For the purpose of this declaration, Senior Management shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management committee, including all functional heads.

Place: Kolkata

Date: 27th May, 2013

Siddharth Ratilal Mehta
Chief Executive Officer

Certification by Chief Executive Officer (CEO) / Chief Financial Officer (CFO) in terms of Revised Clause 49 (V) of the Listing Agreement.

We, Siddharth Ratilal Mehta, Chief Executive Officer and Gautam Das, Sr. VP (Finance) of DPSC Limited certify in terms of the requirement of revised Clause 49 (V) of the Listing Agreement, that we have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March, 2013 and to the best of our knowledge, we certify that:

1. a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- c) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
2. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and are not aware of deficiencies in the design or operation of such internal controls, if any, which need to be disclosed to the Auditors and Audit Committee.
3. We have indicated to the auditors and the Audit Committee that:
 - i) there has been no significant changes in internal controls during the year;
 - (ii) there has been no significant changes in accounting policies during the year other than accounting for depreciation as required by West Bengal Electricity Regulatory Commission (Tariff) Regulation, 2007 as indicated in Note 1(a) on Significant Accounting Policies; and
 - (iii) there has been no instances of fraud during the period of which we are aware.

Place: Kolkata

Date: 27th May, 2013

Siddharth Ratilal Mehta
Chief Executive Officer

Gautam Das
Sr. VP (Finance)

Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

TO THE MEMBERS OF DPSC LIMITED

We have examined the compliance of conditions of Corporate Governance by DPSC Limited, for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned statements of the Company.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lodha & Co.
Chartered Accountants
Firm ICAI Registration No: 0301051E

R P Singh
Partner
Membership No.: 052438

Place: Kolkata
Date: 27th May, 2013

Independent Auditors' Report

To The Members of DPSC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of DPSC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31st 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other notes for the year ended on that date.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2013;

(b) In the case of the Statement of profit and loss, of the profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to Note 2 dealing with the amalgamation of India Power Corporation Limited (IPCL) with the Company with effect from 1st October 2011 and treatment of assets, liabilities and reserves transferred to and arising consequent to such amalgamation. Our Opinion is not qualified in respect of the matter dealt in this paragraph.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting standards referred to in sub section (3C) of sec 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the directors as on March 31st 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Lodha & Co
Chartered Accountants
Firm's ICAI Registration No.: 301051E

R.P Singh

Partner

Place: Kolkata
Date: 27th May, 2013

Membership. No. 052438

Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our Report of even date)

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regards to the size of the company and nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the reporting period and that no material discrepancies were noticed on verification.
- c. There was no substantial disposal of its fixed assets during Reporting Period, which may have any impact on the going concern nature of the Company.
- ii) a. As explained to us, the Inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On basis of our examination of the records, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of Inventories as compared to the book records.
- iii) a. The Company has not granted any loans, secured or unsecured, to companies covered in the register maintained under section 301 of the Act. Therefore the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the company.
- b. The Company had not taken any unsecured loan from companies covered in the register maintained under section 301 of the Act. Therefore the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of energy and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- vi) The Company has not accepted any deposits from the public during the year.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by Central Government for the maintenance of cost records under section 209(1) (d) of the Act and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- ix) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing during the year the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. According to information and explanation given to us and the records of the Company examined by us, there are no undisputed amounts of statutory dues which have not been deposited.
- b. According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess as applicable as at 31st March,

2013 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in lakhs)	Period to which amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax	0.83	Financial Year 2004-05	West Bengal Commissioner Taxes Appellate & Revisional Board
	Purchase Tax	1.40	Financial Year 2004-05	
	Purchase Tax	1.78	Financial Year 2003-04	
	VAT and Purchase Tax	33.97	Financial Year 2009-10	
Income Tax Act 1961	Fringe Benefit tax	0.35	Assessment Year 2006-07	within period for appeal to Sr. Joint Commissioner of Sales tax, Asansol Circle Calcutta High Court
	Fringe Benefit tax	0.13	Assessment Year 2008-09	

- x) The Company has no accumulated losses as at 31st March 2013 and it has not incurred cash losses during the current and in the immediately preceding reported financial year.
- xi) According to records of the Company examined by us and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to any financial institution, or bank, or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has created securities in respect of Non Convertible Debentures issued during the year.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management

For Lodha & Co
Chartered Accountants
Firm's ICAI Registration No.: 301051E

R.P Singh
Partner

Place: Kolkata
Date: 27th May, 2013

Membership. No. 052438

Balance Sheet

As of 31st March, 2013

(₹ In lakhs)

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	9,737.90	9,737.90
Reserves and surplus	4	81,859.48	2,929.91
Share capital suspense account	2.1	6,041.43	-
Non-current liabilities			
Long-term borrowings	5	20,541.00	12,000.00
Deferred tax liabilities (Net)	6	3,150.38	1,662.25
Other Long term liabilities	7	12,877.07	11,638.06
Long-term provisions	8	471.06	447.18
Current liabilities			
Short-term borrowings	9	3,188.09	3,545.41
Trade payables	10	6,636.11	4,720.18
Other current liabilities	11	3,700.18	2,803.53
Short-term provisions	12	2,365.04	1,492.19
TOTAL		1,50,567.74	50,976.61
ASSETS			
Fixed assets			
Tangible assets	13	30,083.93	14,903.89
Intangible assets		382.88	495.39
Capital work-in-progress		1,585.34	10,256.00
Non-current investments	14	646.54	610.06
Long-term loans and advances	15	17,244.25	12,234.26
Other Non Current Assets	16	81,886.01	-
Current assets			
Current Investments	14	5.00	-
Inventories	17	1,892.70	1,092.49
Trade receivables	18	7,122.38	6,065.97
Cash and cash equivalents	19	534.85	1,710.20
Short-term loans and advances	20	8,308.61	3,389.99
Other current assets	21	875.25	218.36
TOTAL		1,50,567.74	50,976.61

Significant Accounting Policies and Notes on Financial Statements (Note 1 to 29)
are an integral part of the Financial Statements

As per our report on even date
For **Lodha & Co.**
Chartered Accountants

For and on behalf of the Board

R.P Singh
Partner
Place: Kolkata,
Date: 27th May, 2013

Saikat Bardhan
Secretary

Amit Kiran Deb
Director

Jyoti Kumar Poddar
Director

Statement of Profit and Loss

For the year ended 31st March, 2013

(₹ In lakhs)

Particulars	Note No.	2012-13	2011-12
Revenue			
Revenue from operations	22	64,982.10	54,145.88
Other income	23	937.08	324.77
Total Revenue		65,919.18	54,470.65
Expenses:			
Cost of Material Consumed - Coal Consumption		1,645.53	2,855.27
Energy Purchase	24	45,433.44	42,272.27
Lease Rent	25	4,544.88	386.05
Employee benefits expense	26	4,688.17	3,548.70
Finance costs	27	1,895.61	1,142.13
Depreciation and Amortization expense	13	1,095.71	632.09
Other expenses	28	2,368.54	1,894.97
Total Expenses		61,671.88	52,731.48
Profit Before Tax		4,247.30	1,739.17
Tax expense:			
Current tax		806.72	458.59
Less: MAT Credit Entitlement		806.36	31.25
Deferred tax		1,488.13	131.29
Profit After Tax		2,758.81	1,180.54
Earnings per equity share:			
Basic and Diluted (in ₹)		0.17	0.12

Significant Accounting Policies and Notes on Financial Statements (Note 1 to 29)
are an integral part of the Financial Statements

As per our report on even date
For **Lodha & Co.**
Chartered Accountants

For and on behalf of the Board

R.P Singh
Partner
Place: Kolkata,
Date: 27th May, 2013

Saikat Bardhan
Secretary

Amit Kiran Deb
Director

Jyoti Kumar Poddar
Director

Cash Flow Statement For the year ended 31st March, 2013

(₹ In lakhs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
A. Cash Flow From Operating Activities		
Net Profit / (Loss) before Taxation	4,247.30	1,739.17
Adjustments for:		
Depreciation	1,095.71	632.09
Loss on Discard/Sale of fixed assets (Net)	-	89.31
Income from Long Term (Other Than Trade) Investments	(295.80)	(28.31)
Interest (Received/ Receivable on Deposits) [Gross]	(5.62)	(28.66)
Profit on Disposal of Fixed Asset (Net)	(173.64)	-
Interest on Intercompany Deposit	(306.99)	(249.63)
Interest (Paid/ Payable on Loans etc)	1,895.61	1,142.13
Liability no longer required written back	(18.23)	(126.90)
Bad Debts Written off	154.85	83.18
	2,345.89	1,513.21
Operating Profit before Working Capital Changes	6,593.19	3,252.38
Adjustments for:		
Inventories	(370.18)	187.14
Trade and Other Receivables	(8,292.36)	(8,281.21)
Trade Payables	2,078.99	5,725.19
	(6,583.55)	(2,368.88)
Cash Generated from Operations	9.64	883.50
Direct Taxes Paid (Net of tax deducted at source)	(364.63)	(226.57)
Net Cash from Operating Activities	(354.99)	656.93
B. Cash Flow from Investing Activities :		
Payments for fixed assets	(4,653.19)	(11,494.26)
Sale proceeds of Fixed Assets	300.57	87.76
Purchase of Investments (Long - Term)	(68.12)	(103.97)
Inter Corporate Deposit given	(2,245.88)	5,341.97
Interest received on Deposits and Others	33.90	474.86
Income from long- term (Other than Trade) Investments	292.90	19.80
Net Cash used in Investing Activities	(6,339.82)	(5,673.84)

Cash Flow Statement For the year ended 31st March, 2013

(₹ In lakhs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
C. Cash Flow from Financing Activities :		
Proceeds from other Capital Accounts	28.22	56.88
Proceeds from Issue of Non Convertible Debentures	2,000.00	-
Proceeds from Long term Borrowing	6,541.00	2,000.00
Increase/ (Decrease) in Cash Credit facilities from Banks	(357.32)	2,044.91
Dividend paid (including tax on dividend)	(564.99)	(49.13)
Interest paid	(2,225.00)	(1,239.89)
Net Cash from Financing Activities	5,421.91	2,812.77
Net increase/ (decrease) in Cash and Cash Equivalents	(1,272.90)	(2,204.14)
Cash and Cash Equivalents as at the beginning of the year	1498.12	3702.26
Cash and Cash Equivalents of Amalgamating Company as at the beginning of the year	115.88	
Cash and Cash Equivalents as at the closing of the year (refer note 19)	341.10	1,498.12

Notes to the Cash Flow Statement for the year ended 31st March, 2013

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 on Cash Flow Statements.
- Previous year's figures have been re-grouped/re-arranged where ever necessary.

Notes referred to above forms an integral part of this cash flow statement.
This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For **Lodha & Co.**
Chartered Accountants

R.P Singh
Partner
Place: Kolkata,
Date: 27th May, 2013

Saikat Bardhan
Secretary

Amit Kiran Deb
Director

Jyoti Kumar Poddar
Director

Notes on Financial Statements For the year ended 31st March, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

(a) General:

The Financial Statements have been prepared under the historical cost convention on a going concern basis and in compliance with the relevant provisions of the Companies Act, 1956, the Regulations under the Electricity Act, 2003 and the provisions of West Bengal Electricity Regulatory Commission (WBERC) (Terms & Conditions of Tariff) Regulations, 2007.

(b) Use of Estimate:

The preparation and presentation of financial statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

(c) Fixed Assets:

- (i) Fixed Assets (both tangible and intangible) are stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition.
- (ii) All project related expenses viz civil works, machinery under erection, construction and erection materials, pre-operative expenditure net of revenue incidental / attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations are shown under Capital Work -In-Progress (CWIP).
- (iii) Impairment loss is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount, i.e., net selling price or value in use, whichever is higher.

(d) Depreciation/ Amortisation:

- (i) Depreciation of fixed assets is computed on straight line method either at the rates specified in the Tariff Regulation or as per schedule XIV of the Companies Act, 1956 as the case may be.
- (ii) Cost of leasehold lands are amortised under the straight line method over the related lease period.
- (iii) Cost of Intangible assets (Computer software) is amortized under straight line method over 5 years.
- (iv) Assets constructed/acquired in relation to assets taken on operating lease are amortised over the primary period of lease.

(e) Operating Lease:

Lease payments under operating leases are recognised as expense in the statement of Profit and loss as per terms of lease agreements.

(f) Investments:

Current investments are stated at lower of cost or fair value and Long term investments are stated at cost. Provision is made where there is a decline, other than temporary, in the value of long term investments.

(g) Inventories:

Inventories are valued at lower of cost or net realisable value.

Cost is calculated on weighted average basis and includes expenditure incurred for bringing such inventories to their present location and condition. Adjustments in the carrying amount of obsolete, defective and slow moving items as may be identified at the time of physical verification is made where appropriate, to cover any eventual loss on their ultimate realisation.

(h) Taxation:

Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable revenue using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising out of timing difference, which are capable of reversal in subsequent periods are recognised using rates and tax laws, which have been enacted or subsequently enacted. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be

Notes on Financial Statements For the year ended 31st March, 2013

available against which such deferred tax assets will be realised. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is "virtual certainty" that such deferred tax assets can be realised against future taxable profits.

Entitlement Credit in respect of Minimum Alternate Tax is recognised only if there is convincing evidence of realisation of the same.

(i) Revenue Recognition:

Sale of energy on account of electricity supplied from regulated business is accounted for on the basis of billing to consumers at rates approved by West Bengal Electricity Regulatory Commission (WBERC) and is net of rebate. It includes amount recoverable from/ refundable to consumers on account of Fuel and Power Purchase Cost Adjustment (FPPCA) and other cost adjustments based on the prescribed formulae and are shown as Tariff Adjustment account under Current Loans and Advances. Consequential adjustments are given effect to upon confirmation by the relevant authorities. Sale of energy other than above is billed and accounted for at rates agreed with respective consumers.

(j) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (being an asset that necessarily takes substantial period of time to get ready for intended use) are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.

(k) Employee Benefits:

(i) Short Term Employee Benefits:

Recognised at the undiscounted amount as expense for the year in which the related service is rendered.

(ii) Post Employment Benefit Plans:

Contribution under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the projected Unit Credit Method with the actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.

(iii) Other Long Term Employee Benefits (Unfunded):

The cost of providing long -term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Profit and Loss Account for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

(iv) Employee separation costs:

Compensation to employees opting for voluntary retirement scheme of the Company is charged in the year of exercise of option.

(l) Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

(m) Operating Cycle:

Considering the nature of business and prevailing practice current and non current classification of assets and liabilities have been based on the operating cycle of 12 months.

Notes on Financial Statements For the year ended 31st March, 2013

2. AMALGAMATION OF INDIA POWER CORPORATION LIMITED

Pursuant to the scheme of arrangement and amalgamation ("the scheme") sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April 2013, India Power Corporation Limited (IPCL), which is engaged in the business of power generation, has been amalgamated with the Company with effect from 1st October 2011 (the appointed date). The scheme has since become effective on filing the certified copy thereof on 24th May 2013 with the Registrar of Companies and had therefore been given effect to in these financial Statements.

2.1 Consequent to the amalgamation as above:

The shareholders of erstwhile IPCL will be entitled to 11 equity shares of the Company against 100 shares held by them. Accordingly 1,12,02,75,823 fully paid up ordinary shares of Re 1 each aggregating to ₹11,202.75 lakhs are to be issued to the shareholders of IPCL. IPCL being the Amalgamating Company, its shareholding in 51,61,32,374 fully paid ordinary shares of ₹1 each aggregating to ₹5,161.32 lakhs in the Company shall stand cancelled in terms of the scheme approved by the High Court. Pending completion of the said cancellation and allotment, a net amount of ₹6,041.43 lakhs, being the differential amount with respect to the shares to be issued and to be cancelled has been shown as share capital suspense account as at 31st March 2013.

2.2 As per terms of the scheme, following provisions has been given effect to:

2.2.1 The entire business of erstwhile IPCL along with all the assets, liabilities, interest and charges including the beneficial interest in the Power Trust (holding asset and liabilities pertaining to Investment Division of IPCL for the benefit of the Company) stands transferred to and vested in the Company as a going concern with effect from the appointed date and the amalgamation is to be accounted for under "Pooling of Interest" method as prescribed in the Accounting Standard 14- Accounting for amalgamation.

2.2.2 In view of the above, all assets and liabilities, reserve and surplus as on 1st October 2011 as detailed below along with rights, interest (including beneficial interest and charges) appearing in the financial Statement of erstwhile IPCL after giving effect to transfer of the assets and liabilities of Investment division to Power Trust as audited by Statutory Auditor of erstwhile IPCL have been incorporated in these Financial Statements and the differential between shares issued and net assets taken over pursuant to the said amalgamation has been treated as Reserve on Amalgamation.

(₹ In lakhs)		
Fixed assets (net)		768.57
Other Non Current assets- Beneficial Interest in Power Trust		81,886.01
Current Assets		
Sundry debtors	228.63	
Cash and Bank Balances	100.46	
Current Loans and Advances	1,110.94	
	1,440.03	
Less: Current and other liability	902.25	537.78
Excess of Assets over liabilities		83,192.36
Less: General Reserve		56,887.09
Less: Balance of surplus		156.70
Less: Investment in transferor Company- cancelled pursuant to amalgamation		27.3
Less: Shares to be issued to IPCL Share holders as per note 2.1	11,202.75	
Shares to be cancelled	5,161.32	6,041.43
Reserve on amalgamation		20,079.84

Notes on Financial Statements For the year ended 31st March, 2013

2.3 In terms of the scheme, the Reserves arising pursuant to Amalgamation shall constitute free reserves available to the Amalgamated Company for such purpose including but not limited to declaration of dividend, issuance of Bonus shares etc. as the Board of Directors of the Amalgamated Company may consider appropriate. Accordingly as per the Board resolution, the reserve of ₹20,079.84 lakhs arising as per 2.2.2 has been shown under the General Reserve of the Company and has not been considered as part of capital reserve. The said amount as per generally accepted accounting practices would otherwise have been treated as capital reserve of the Company.

2.4 The erstwhile IPCL had carried on all its business and activities for the benefit of and in trust for, the Company from 1st October 2011. Accordingly the losses of the erstwhile IPCL for the period from 1.10.2011 to 31.3.2012 have been deducted from the balance of surplus of the Company. Current year's transaction of the erstwhile IPCL have duly been incorporated in these Financial Statements under the respective heads of account of the Company.

2.5 Pursuant to the Scheme the name of the Company is deemed to have been changed to India Power Corporation Limited and will be given effect to on completion of necessary formalities in this respect.

2.6 Pursuant to sanction of scheme, title deeds, conveyance and other legal documents of amalgamating Company are in the process of being transferred in the name of amalgamated Company.

3. SHARE CAPITAL

(₹ In lakhs)

Particulars	31st March, 2013		31st March, 2012	
	Number of shares	Amount	Number of shares	Amount
Authorised				
10% 'A' Cumulative preference shares of ₹100 each	16,000	16.00	16,000	16.00
10% 'B' Cumulative preference shares of ₹100 each	12,000	12.00	12,000	12.00
Equity Shares of ₹1 each	3.1	16,99,72,00,000	99,72,00,000	9,972.00
Issued, Subscribed and fully paid up equity shares				
Equity Shares of ₹1 each	97,37,89,640	9,737.90	97,37,89,640	9,737.90
Total	97,37,89,640	9,737.90	97,37,89,640	9,737.90

3.1 Authorised Share Capital increased pursuant to amalgamation of IPCL in terms of the Scheme.

3.2 The company has only one class of equity shares having a par value of ₹1 each. Each share has one voting right. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

3.3 The reconciliation of number of shares outstanding and the amount of Share Capital as at 31st March 2013 and 31st March 2012 is set out below:

(₹ In lakhs)

Particulars	31st March, 2013		31st March, 2012	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	97,37,89,640	9,737.90	4,23,38,680	423.39
Bonus Shares Issued during the year	3.3.1	-	93,14,50,960	9,314.51
Shares outstanding at the end of the year	97,37,89,640	9,737.90	97,37,89,640	9,737.90

3.3.1 During the financial year 2011-12 Fully paid Bonus shares in the ratio of 22 (twenty two) equity shares of ₹1 each for every 1 (one) equity shares of ₹1 each were issued and allotted on 20th December, 2011.

Notes on Financial Statements For the year ended 31st March, 2013

3. SHARE CAPITAL (contd.)

3.4 90,56,48,230 Equity Shares representing 93% of holding(Previous year 90,56,48,230) are held by India Power Corporation Limited (IPCL), the holding company. Other than IPCL, there are no shareholders holding more than 5% shares of the Company at the close of the year.

3.5 The above disclosures, are without giving effect to the further issue and cancellation of equity shares pursuant to the scheme of amalgamation as given in note 2.1.

4. RESERVES AND SURPLUS

		(₹ In lakhs)	
Particulars		31st March, 2013	31st March, 2012
Capital Reserve			
Contribution from Consumers towards Service Lines	4.1	1,023.60	966.72
Add: Contribution during the year		28.22	56.88
Closing Balance		1,051.82	1,023.60
Other Capital Reserve	4.3	82.47	82.47
Capital Redemption Reserve			
Opening Balance		-	28.00
Less: Utilised for issuing Bonus shares	3.3.1	-	28.00
Closing Balance		-	-
Securities Premium Reserve			
Opening Balance		-	1,659.39
Less : Utilised for issuing Bonus Shares	3.3.1	-	1,659.39
Closing Balance		-	-
Debenture Redemption Reserve			
Opening Balance		600.00	300.00
Add: Transfer from Surplus		350.00	300.00
Closing Balance		950.00	600.00
Development Reserve No I			
Opening Balance		-	68.58
Less: Transfer to General Reserve		-	68.58
Closing Balance		-	-
Development Reserve No II			
Opening Balance		-	101.46
Less: Transfer to General Reserve		-	101.46
Closing Balance		-	-
General Reserve			
Opening Balance		170.04	5,000.00
Add: General Reserve of Amalgamating Company	2	56,887.09	-
Add: Transfer from Development Reserve I		-	68.58
Add: Transfer from Development Reserve II		-	101.46
Less: Utilised for issuing Bonus shares	3.3.1	-	5,000.00
		57,057.13	170.04
Reserve on Amalgamation	2.2.2 & 2.3	20,079.84	-

Notes on Financial Statements For the year ended 31st March, 2013

4. RESERVES AND SURPLUS (contd.)

		(₹ In lakhs)	
Particulars		31st March, 2013	31st March, 2012
Contingency Reserve	4.2	266.64	266.64
Reserve for unforeseen Exigencies Reserve	4.2		
Opening Balance		190.70	151.16
Add: Transfer from Surplus		22.99	39.54
Closing Balance		213.69	190.70
Reserve for unforeseen Exigencies Interest Reserve			
Opening Balance		34.12	18.99
Add: Transfer from Surplus		23.18	15.13
Closing Balance		57.30	34.12
Surplus			
As per Balance Sheet		562.34	2,929.46
Add: Surplus of amalgamating company	2	156.70	-
Add/(Less): Profit/(loss) of amalgamating company for the period from 1.10.11 to 31.3.12	2.4	(58.04)	-
Less: Utilised for issuing Bonus shares	3.3.1	-	2,627.12
Add: Net Profit after tax transferred from Statement of Profit and Loss		2,758.81	1,180.54
Amount Available for Appropriation		3,419.81	1,482.88
Appropriations			
Transfer to Reserve for unforeseen exigencies Interest Fund		23.18	15.13
Transfer to Reserve for unforeseen exigencies		22.99	39.53
Transfer to Debenture Redemption Reserve		350.00	300.00
Proposed Dividend @ ₹0.05 per share (previous year ₹0.05 per share)		788.97	486.89
Income Tax on Proposed Dividend		134.08	78.99
Closing Balance		2,100.59	562.34
Total Reserves and Surplus		81,859.48	2,929.91

- 4.1 Till the previous year Capital contributions from consumers for service lines were disclosed separately under long term liability. During the year, based on expert opinion obtained, considering that these contributions are not refundable to the consumers even after they cease to be consumers and the underlying assets there against being under notional ownership of the Company, such contribution have been transferred to Capital reserve.
- 4.2 Contingencies Reserve was created by appropriation out of revenue of each year till the year ended 31st March, 2004 in accordance with the provisions of the Sixth Schedule to the erstwhile Electricity (Supply) Act, 1948. Further to these, reserve for unforeseen exigencies have been created in terms of tariff regulations.
- 4.3 Capital reserve arising consequent to the amalgamation of Associated power Company limited with the Company in the year 1978 has been shown as other capital reserve.

Notes on Financial Statements For the year ended 31st March, 2013

5. LONG TERM BORROWINGS

(₹ In lakhs)

Particulars		31st March, 2013	31st March, 2012
Secured			
Debentures	5.1	12,000.00	10,000.00
Term Loan from Banks	5.2	8,541.00	2,000.00
Total		20,541.00	12,000.00

5.1 (a) Includes 10.75 % Secured Redeemable non convertible Debentures aggregating to ₹10,000 lakhs redeemable in five installments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 3rd November, 2010 and is Secured by mortgage of immovable properties consisting of 1.0749 acres of land and four storied building measuring 1190 sqm along with conference hall measuring 359 sq mtr at plot X-1,2&3, block EP, Salt lake, Kolkata and land, building, office, bungalow and guesthouse at Sanctoria and Asanboni at Asansol (Burdwan) and 1,731.82 sq mtr land at Iswarpura (Gujarat).

5.1 (b) Includes 12% Secured Redeemable non convertible Debentures aggregating to ₹2,000 lakhs redeemable in five installments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 19th September, 2012 and is Secured by mortgage of immovable properties consisting of land measuring 20.74 acres and building at Kaithi and Seebpore Mouza at Burdwan District including Bungalow, Quarters, Offices etc at Luchipur Receiving Station area of 56,633.94 sq ft under Seebpore circle.

5.2 (a) Includes Term loan of ₹3,500 lakhs at bank base rate plus 2.5% and is repayable after moratorium of two years from the date of commencement of production i.e. 25th September, 2012 in 9 years in equal quarterly installments and is to be secured by Mortgage of assets of 1x12 MW plant project and immovable property consisting of Land of 20.10 acres at Dishergarh, District Burdwan and second charge on immovable property consisting of 35.50 acres at Asansol and 1.0749 acres at plot X-1,2&3, Block EP, Salt lake, Kolkata.

5.2 (b) Includes Term Loan of ₹5,000 lakhs at bank base rate plus 2.5% and is repayable after moratorium of two years in 9 years from the date of disbursement i.e. 29th December, 2012 in equal quarterly installments and is Secured by exclusive charge of entire fixed assets pertaining to 220/33 KV sub-station at J.K Nagar, Burdwan.

5.2 (c) Includes Term loan ₹41 lakhs at the rate of 13% for purchase of equipment repayable in 35 monthly installments of ₹2.49 lacs each and is Secured against asset purchased against the loan.

6. DEFERRED TAX LIABILITIES (NET)

(₹ In lakhs)

Particulars		31st March, 2013	31st March, 2012
Deferred tax Liabilities			
Depreciation on fixed assets		4,359.23	1,885.73
Unamortised borrowing cost		120.41	130.49
		4,479.64	2,016.22
Deferred tax Assets			
Expenses allowable on payment basis		370.30	291.15
Voluntary Retirement and other expenses allowable on amortisation basis		958.96	62.82
		1,329.26	353.97
Net Deferred tax Liability		3,150.38	1,662.25

Notes on Financial Statements For the year ended 31st March, 2013

7. OTHER LONG TERM LIABILITIES

(₹ In lakhs)

Particulars		31st March, 2013	31st March, 2012
Trade Payable		4,535.25	4,535.25
Consumer Security Deposit		1,768.39	1,710.45
Advance/payable from/to consumers and others		6,096.94	4,881.46
Advance from Consumers for capital jobs		476.49	510.90
Total		12,877.07	11,638.06

8. LONG TERM PROVISIONS

(₹ In lakhs)

Particulars		31st March, 2013	31st March, 2012
Provision for Employee benefits		471.06	447.18
Total		471.06	447.18

9. SHORT TERM BORROWINGS

(₹ In lakhs)

Particulars		31st March, 2013	31st March, 2012
Secured -Repayable on demand			
Cash Credit from banks	9.1 & 9.2	3,188.09	3,545.41
Total		3,188.09	3,545.41

9.1 Cash Credit of ₹2,299.95 lakhs (previous Year ₹2,487.61) from South Indian Bank is secured by first pari passu charge on current assets both present and future.

9.2 Cash Credit of ₹888.14 lakhs (previous year ₹1,057.79) from IDBI Bank is to be secured by first charge, ranking pari passu on current assets both present and future and second charge on immovable property consisting of 35.50 acres at Asansol and 1.0749 acres at plot X-1,2&3, block EP, Salt lake, Kolkata.

10. TRADE PAYABLE

(₹ In lakhs)

Particulars		31st March, 2013	31st March, 2012
Payable for goods and services	10.1	6,636.11	4,720.18

10.1 Dues to Micro Small and Medium Enterprise

The details of amount outstanding to micro enterprise and small enterprises are based on information available with the Company. Based on above, the relevant disclosures under section 22 of the Act, are as follows:

(₹ In lakhs)

Particulars		31st March, 2013	31st March, 2012
i) Principal amount outstanding at the end of the year		18.35	15.53
ii) Interest amount outstanding at the end of the year		-	-
iii) Interest paid to supplier		-	-

Notes on Financial Statements For the year ended 31st March, 2013

11. OTHER CURRENT LIABILITIES

(₹ In lakhs)

Particulars		31st March, 2013	31st March, 2012
Current Maturity of long term debts	5.2 (c)	24.05	-
Unclaimed dividends	11.1	1.73	0.84
Interest accrued but not due on Debentures		567.71	438.84
Interest accrued but not due on borrowings		26.60	-
Payable for capital goods/services		1,337.18	823.45
Statutory Collection/Deduction		1,521.66	1,481.04
Advance/other payable - Consumers		12.61	5.63
Interest accrued but not due on Security Deposit		97.37	48.27
Others		111.27	5.46
Total		3,700.18	2,803.53

11.1 Unclaimed dividend does not include any amount due and outstanding to be credited to investor Education and Protection fund.

12. SHORT TERM PROVISION

(₹ In lakhs)

Particulars		31st March, 2013	31st March, 2012
Provision for employee benefits		747.64	673.64
Others			
Provision for Income tax (Net of advance tax)		693.98	252.30
Proposed dividend @ ₹0.05 per share (previous year ₹0.05 per share)		788.97	486.89
Tax on Proposed Dividend		134.08	78.99
Provision for wealth tax		0.37	0.37
Total		2,365.04	1,492.19

Notes on Financial Statements For the year ended 31st March, 2013

13. FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 1 April 2012	Additions/Adjustment (13.3)	Withdrawal/Adjustments	As at 31 March 2013	As at 1 April 2012	For the year (13.4)	As at 31 March 2013	As at 1 April 2012
(a) Tangible Assets								
Land Freehold	231.77	0.05	-	231.82	-	-	231.82	231.77
Land Leasehold	1,673.12	-	-	1,673.12	45.25	5.21	1,622.66	1,627.87
Buildings	3,163.13	1,441.18	10.19	7,853.12	429.33	245.25	6,648.51	2,733.80
Plant and Equipment	3,167.80	5,587.14	418.72	8,336.22	1,093.23	213.37	7,374.63	2,074.57
Mains Meters & Transformers	9,963.45	-	113.77	16,242.15	2,411.03	398.65	13,499.37	7,552.42
Furniture and Fixtures	330.34	11.21	8.47	333.99	126.92	19.72	195.19	203.42
Vehicles	102.79	26.58	30.69	183.86	71.25	15.78	125.55	31.54
Office Equipment	755.28	4.99	109.53	671.63	306.78	85.22	386.20	448.50
Total (A)	19,387.68	1,473.06	691.37	35,525.31	4,483.79	983.20	30,083.93	14,903.89
(b) Intangible Assets								
Computer software	625.05	-	-	625.05	129.66	112.51	382.88	495.39
Total (B)	625.05	-	-	625.05	129.66	112.51	382.88	495.39
Total (A+B)	20,012.73	1,473.06	691.37	36,150.36	4,613.45	1,095.71	30,466.81	15,399.28
Previous year	15,813.40	-	202.37	20,012.73	4,085.81	632.09	15,399.28	

13.1 Lease hold land includes land at Raghunathpur for which registration is pending.

13.2 Refer Note 29.4 (a) and 29.4 (b)

13.3 Additions on amalgamation represents gross block and Accumulated depreciation of the Amalgamating Company, which include ₹206.89 lakhs and ₹41.24 lakhs respectively with regard to additions during the period from 1.10.2011 to 31.3.2012.

13.4 Includes ₹32.08 lakhs on account of change in depreciation method in respect of assets transferred and vested to the Company from erstwhile IPCL.

Notes on Financial Statements For the year ended 31st March, 2013

14. INVESTMENTS

(₹ In lakhs)

Particulars	No. 31st March 2013	No. 31st March 2012	Face value of each security	Book Value as at 31st March 2013	Book Value as at 31st March 2012
Long Term Investments (other than Trade) (at cost except otherwise stated) [Note 1 (e) of Significant Accounting Policy]					
Contingency Reserve Investment					
Quoted					
8.75% Catholic Syrian Bonds-2014	6	6	10,00,000	57.30	57.30
7.5% ICICI Bank 2015 Bonds	2	2	10,00,000	19.00	19.00
11.05% IOB 2018 Bonds	2	2	10,00,000	20.00	20.00
7.99 % GOI 2017 Bonds	5,000	5,000	100	5.00	5.00
9.05% Corporation Bank,2019 Bonds	1	1	10,00,000	10.00	10.00
Unquoted					
UTI Balanced Fund (Income Re-investment) Scheme	64,459	63,179	10	9.89	9.26
UTI- GILT Advantage fund long term plan - Dividend payout	14.1 12,79,291	16,24,341	10	169.30	169.30
Unforeseen Exigencies Reserve Investment					
Quoted					
11 % PFC 2018 Bond	3	3	10,00,000	30.00	30.00
9.05% Corporation Bank,2019 Bonds	3	3	10,00,000	30.00	30.00
7.5% ICICI Bank 2015 Bonds	2	2	10,00,000	19.20	19.20
9.20% Bank of Baroda Perpetual bonds	3	3	10,00,000	30.00	30.00
9.18% PFC 2021	4	4	10,00,000	39.56	39.56
9.8% ICICI Bank 2013	-	3,000	100	-	3.00
9.5% HDFC 2016	3	3	10,00,000	29.94	29.94
11.40% SREI INFRA FIN 2022	2	-	10,00,000	19.99	-
10.50% SIFL 2020	1	-	10,00,000	9.75	-
Unquoted					
Fixed Deposit with Financial Institutions	1	-	11,00,000	11.00	-
Contingency Reserve Interest Investment					
Quoted					
9.4% NABARD 2016	1	1	10,00,000	10.00	10.00
8.30% GOI 2040	3,000	-	100	2.92	-
11.40% SREI INFRA FIN 2022	1	-	10,00,000	9.99	-
Unquoted					
Fixed Deposit with Financial Institutions				8.50	8.50
Unforeseen Exigencies Reserve Interest Investment					
Quoted					
8.26% GOI Bond	6,000	6,000	100	5.98	5.98

Notes on Financial Statements For the year ended 31st March, 2013

14. INVESTMENTS (contd.)

(₹ In lakhs)

Particulars	No. 31st March 2013	No. 31st March 2012	Face value of each security	Book Value as at 31st March 2013	Book Value as at 31st March 2012
7.87 % Kerala SDL 2016	1,000	1,000	100	0.99	0.99
7.8% GOI 2021	1	1	2,00,000	1.96	1.96
11.40% SREI IFL 2022	1	-	10,00,000	10.00	-
Unquoted					
Fixed Deposit with Financial Institutions				33.00	33.00
Others					
Fully paid up Equity Shares					
Quoted					
Yule Financing & Leasing Co. Ltd.-at under cost	2,97,930	2,97,930	10	-	-
Tide Water Oil Co. (I) Ltd.	1,006	1,006	10	0.72	0.72
Unquoted					
Transformer & Switchgear Ltd.- at under cost	24,407	24,407	10	-	-
WEBFIL Limited	20,03,800	20,03,800	10	200.38	200.38
National Power Exchange Limited	5,00,000	5,00,000	10	50.00	50.00
India Power Corporation Limited	14.2 5,18,70,000	5,18,70,000	1	-	27.30
Woodlands Multispecialty Hospital Limited	500	500	10	0.05	0.05
Fully Paid Debentures					
Unquoted					
18% unsecured Optionally fully convertible debentures of OSD Coke (Consortium) Pvt. Ltd.	2,500	-	100	2.50	-
				846.92	810.44
Less: Provision for Diminution in value of Investment				200.38	200.38
				646.54	610.06
Aggregated amount of quoted Investments and Market value thereof (excluding Yule Financing & Leasing Co Ltd in absence of any current quotation)				362.30	312.65
Value of Quoted Investment				433.17	416.36
Market Value					
Current Investments					
Current Maturities of Long Term Investments					
Unforeseen Exigencies Reserve Interest Investment				5.00	-
Fixed Deposit with Financial Institutions				5.00	-

14.1 16,24,341.018 UTI- GESC Investment Plan - Dividend has been switched to 12,79,290.967 units of UTI- GILT Advantage fund long term plan - Dividend payout during the year.

14.2 Pursuant to Amalgamation of India Power Corporation Ltd.(IPCL) with the Company the shares of IPCL stands Cancelled.

Notes on Financial Statements For the year ended 31st March, 2013

15. LONG TERM LOANS AND ADVANCES

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
Unsecured Considered Good		
Advances		
Advance to a Body Corporate against Power Purchase Agreement	11,798.00	6,475.00
Capital Advances	3,992.72	5,563.74
Advances to Employees	15.1	2.68
Security Deposits		6.71
MAT Credit Entitlement	15.2	991.15
Advances to Suppliers and others		452.99
Total	17,244.25	12,234.26

15.1 Disclosure pursuant to clause 32 of listing agreement

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
1) No interest or interest below the rate specified in section 372A of Companies Act, 1956 *	2.68	3.18
2) Repayment beyond seven years or on no repayment schedule	-	-
3) Repayment on Demand	-	-
4) Loan to Associates	-	-
5) Investment by Associates	-	-

* Advance to employees pursuant to normal business practice and employee welfare

15.2 The Company has recognised Entitlement for MAT Credit of ₹991.15 lakhs including ₹806.36 lacs for the year, (Previous year ₹31.25 lakhs) based on convincing evidence that the Company is expected to pay normal tax within the credit entitlement period.

16. OTHER NON CURRENT ASSETS

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
Beneficial Interest In Power Trust	16.1	81,886.01
Total	81,886.01	-

16.1 Beneficial interest in Power Trust represents Net Book Value of the Investments and liabilities pertaining to Investment division of IPCL transferred to the said Trust (Note 2.2.2) and held by it for the exclusive benefit of the company. In terms of the valuation of an Independent firm of Chartered Accountants, underlying values thereof are not less than the value at which these have been carried and stated in the financial statements.

17. INVENTORIES

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
Coal	527.06	14.85
Stores & Spares	29.4	1,363.26
Loose Tools		2.38
Total	1,892.70	1,092.49

Notes on Financial Statements For the year ended 31st March, 2013

18. TRADE RECEIVABLES

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	18.1	0.07
Unsecured, considered good		352.27
		352.34
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	18.1	1,549.11
Unsecured, considered good		5,220.93
		6,770.04
Total	7,122.38	6,065.97

18.1 Secured by security deposits received from the respective consumers.

19. CASH AND CASH EQUIVALENT

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
Cash & Cash Equivalent		
Balances with Banks		
Fixed Deposit (Having Maturity of three months or less)	-	990.00
Unpaid Dividend	1.73	0.84
Current Account	334.01	504.24
Cash in hand	4.91	2.91
Stamps in hand	0.45	0.13
	341.10	1,498.12
Other Balances with Banks		
Fixed deposit (having original maturity of more than 3 months)	168.07	203.72
Current Account - Unforeseen Exigencies Reserve Fund	25.68	8.36
	193.75	212.08
Total	534.85	1,710.20

20. SHORT TERM LOANS AND ADVANCES

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
Unsecured, Considered Good		
Inter Corporate Deposits	2,248.55	-
Tariff Adjustment Account	4,781.95	2,187.84
Advance - suppliers and others	20.1	1,202.15
Total	8,308.61	3,389.99
20.1 Include unamortised debenture related expense.	371.55	404.87

Notes on Financial Statements For the year ended 31st March, 2013

21. OTHER CURRENT ASSETS

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
Accrued Interest on Investments, Bank deposit and Inter corporate Deposit etc.	496.00	28.38
Consumer Job Work in Progress	229.12	189.98
Others	150.13	-
Total	875.25	218.36

22. REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	2012-13	2011-12
Sale of Energy	64,649.55	53,786.21
Dividend on long term investment others	1.21	0.60
Rent Received	96.40	86.89
Other operating revenues	234.94	272.18
Total	64,982.10	54,145.88

22.1 (a) Sale of energy include Fuel Purchase and Power Cost Adjustment (FPPCA) of ₹1,734.66 lakhs for the year on the basis of formulae prescribed under the applicable Tariff Regulations, and is inclusive of ₹27.66 lakhs provisionally receivable from consumers on account of under recovery of fixed costs. Adjustments in these respects are carried out and given effect to from time to time based on the order of West Bengal Electricity Regulatory Commission or directions from appropriate authorities.

22.1 (b) Sale of energy include ₹1,303.30 lakhs for the year 2011-12 pursuant to the Tariff Order issued by the Hon'ble West Bengal Electricity Regulatory Commission (WBERC) on 14th February 2013 and also include ₹344.14 lakhs relating to the year 2009-10 as per Annual Performance Review and Fuel Purchase and Power Cost Adjustment orders of WBERC and Tribunal.

22.1.1 Regulatory

Sale of Energy (₹ In lakhs)	59,728.17	53,786.21
Sale of Energy (in Kwh)	1,01,62,15,954	99,83,66,496

22.1.2 Non Regulatory

Sale of Energy (₹ In lakhs)	4,921.38	-
Sale of Energy (in Kwh)	12,58,52,701	-

23. OTHER INCOME

(₹ In lakhs)

Particulars	2012-13	2011-12
Interest income on investment in Bonds and Securities - long term	31.44	24.25
Interest income on investment in Fixed Deposits - long term	4.43	2.86
Interest Income on Deposits and Others	312.61	278.29
Dividend Income on long term Investments	258.70	0.60
Profit on sale of fixed assets (Net)	173.64	-
Profit on sale of Investments - long term	0.03	-
Profit on sale of stores/scrap	156.23	18.77
Total	937.08	324.77

Notes on Financial Statements For the year ended 31st March, 2013

23.1 Interest income includes ₹23.18 lakhs being interest received/accrued during the year on reserve for Unforeseen Exigencies Investment, which has been appropriated to Reserve for unforeseen exigencies - Interest in terms of tariff Regulations as given below:

Interest Accrued and Received during the year	9.37	5.32
Interest Accrued during the year but not received	13.81	9.81
Total	23.18	15.13

24.

(₹ In lakhs)

Particulars	2012-13	2011-12
Purchase of Energy (₹ In lakhs)	45,433.44	42,272.27

24.1 Purchase of Energy (in kwh)	1,03,23,90,161	98,00,07,989
-----------------------------------	----------------	--------------

24.2 Effective 2004-05 power purchased from Damodar Valley Corporation (DVC) is accounted for on the basis of tariff rates (including fuel cost adjustments) charged by DVC on a provisional basis pending issuance of revised tariff order by the Hon'ble Central Electricity Regulatory Commission (CERC) for the years 2004-05 to 2012-13, in terms of the directions issued by the Hon'ble Appellate Tribunal for Electricity (ATE). The Tariff fixed by CERC and the directions issued by the Hon'ble ATE has been challenged by DVC before the Hon'ble Supreme Court of India.

25.

(₹ In lakhs)

Particulars	2012-13	2011-12
Lease Rent of wind Mill/Power plant	4,544.88	386.05
Total	4,544.88	386.05

26. EMPLOYEE COST

(₹ In lakhs)

Particulars	2012-13	2011-12
Salaries and Wages	3,788.16	2,780.65
Contributions to Provident and other funds	551.10	423.98
Staff Welfare expenses	348.91	344.07
Total	4,688.17	3,548.70

26.1

Particulars	2012-13	2011-12
i) Employee Cost exclude amounts incurred for work for consumers and capital jobs	66.46	48.26
ii) Includes payment to contract labour	104.51	81.67
iii) Voluntary Retirement Compensation Paid	509.15	-

Notes on Financial Statements For the year ended 31st March, 2013

27. FINANCE COST

(₹ In lakhs)

Particulars	2012-13	2011-12
Interest	1,841.70	1,088.77
Other Charges	53.91	53.36
Total	1,895.61	1,142.13

28. OTHER EXPENSES

(₹ In lakhs)

Particulars	2012-13	2011-12
Stores and Spares	137.2	135.11
Repairs & Maintenance		
Building	83.43	102.80
Plant and Machinery	298.48	70.97
T&D network	47.05	42.15
Others	187.50	616.46
Raw water charges	0.52	9.33
Coal and Ash handling charges	56.75	27.14
Loss on discard/Sale of Fixed Assets (Net)	-	89.31
Rent	11.64	11.71
Rates and Taxes	41.31	71.96
Insurance	43.17	20.59
Auditors' Remuneration		
Audit Fees	7.50	6.00
Tax Audit Fees	2.50	2.50
For Certification	8.70	12.10
Service Tax	2.30	21.00
2.09		22.69
Directors' Fees [inclusive of service tax of ₹0.28 lakh (Previous year ₹ Nil)]	3.83	5.01
Commission to Directors (inclusive of service tax of ₹4.81 lakhs)	43.22	
Bad Debts	154.86	83.18
Miscellaneous Expense	1,238.58	1,053.38
Total	2,368.54	1,894.97

28.1 The Board has proposed 1% commission to non executive directors, as per the provisions of section 309 of the Companies Act, pending approval of the shareholders at the ensuing Annual General Meeting.

Notes on Financial Statements For the year ended 31st March, 2013

29.1 Contingent liability and commitment to the extent not provided for

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
29.1.1 Contingent Liabilities		
Claims against the company not acknowledged as debt		
a) Amount refundable to consumers as per Hon'ble APR order for the year 2006-07 against which the company's appeal is pending before Hon'ble ATE	-	281.44
b) Claim for supplies of coal against which Company's appeal is pending before Hon'ble High Court at Kolkata	-	644.98
c) Demand from Sales tax authorities against which Company's appeal is pending	37.45	4.00
d) Other demand against which Company's appeal is pending	88.28	10.00
	125.73	940.42
29.1.2 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,684.98	1,060.10
	2,684.98	1,060.10
	2,810.71	2,000.52

29.1.3 On the basis of current status of individual cases and as per the legal advices received, wherever applicable the management is of the view that no provision is required in respect of these cases given in 29.1.1 and outflow of resources is dependent upon final judgement.

29.2 Expenditure in foreign Currency

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
Travelling	-	1.34
Consultancy Charge	-	22.71
Tender Fee	-	37.00
Domain name	1.95	-

Notes on Financial Statements For the year ended 31st March, 2013

29.3 Capital work in progress includes cost of equipments and other civil and construction cost amounting to ₹1,321.73 lakhs, pre-operative expenses, trial run expenses net of revenue as detailed below. These are allocated to respective assets on capitalisation.

Particulars	(₹ In lakhs)	
	31st March, 2013	31st March, 2012
Brought forward from Previous year	430.64	192.39
Interest	533.97	120.69
Consultancy Charge	93.73	55.54
Coal Consumption	274.21	-
Bank Charges	45.01	44.50
Salary and wages	66.08	11.53
Stores and Spares	47.87	-
Coal and ash handling charges	12.38	-
Repair and Maintenance	40.52	-
Insurance	-	6.63
Travelling and Conveyance	5.88	1.47
Rent	1.54	1.82
Rates and taxes	8.01	-
License Fee	-	6.37
Advertisement	0.18	1.17
Others	9.92	0.75
	1,569.94	442.86
Less: Sale of energy (42,54,479 kwh)	234.85	-
Less: Capitalised	29.3.1	1,071.48
Carried forward	263.61	430.64

29.3.1 During the year following capital jobs were capitalised

- 12 MW thermal power plant on commissioning thereof on 25.9.2012 and commencement of commercial operation
- J.K. Nagar sub station on completion of construction and commissioning at the close of the year .

29.3.2 Expenses relating to transmission lines and other facilities at J.K. Nagar included under capital work in progress will be capitalised on completion thereof.

29.4 (a) Net block of fixed assets as on 31.3.2013 include ₹1,971.85 lakhs and stores and spares include ₹387.39 lakhs, being assets lying in the leased premises at Chinakuri Power Station which was under operating lease from Eastern Coal Fields Limited (ECL).

29.4 (b) The lease with ECL has expired on 31.03.2012 and in terms of lease agreement, ECL is required to take over all the assets at respective Written Down Value as on the date of termination of lease. The Company has made necessary claims from ECL, which is subjudice.

Notes on Financial Statements For the year ended 31st March, 2013

29.5 Certain premises and Wind turbine Generator are obtained on operating lease. The term for premises is 1-3 years and is renewable as per mutual agreement.

- The Company has taken certain plant and machinery on an operational lease basis. The Company is scheduled to pay lease rentals as follows:

Particulars	Total
(i) Not later than one year	6,153.39
(ii) Later than One year and not later than 5 years	28,536.31
(iii) Later than 5 years	22,080.21

- The Company has not made any sublease arrangement with other parties.
- The company has recognised an amount of ₹4,534.28 lakhs (previous year ₹386.05 lakhs) towards lease rent (note 25) and ₹11.64 lakhs (previous year ₹11.71 lakhs) for rent of premises (note 28) for the year.
- Significant features of aforesaid lease arrangements are as follows:
 - The Company will pay the fixed lease rent over the lease period . There is no contingent lease rent except for wind mill at Rajasthan where in lease rent is contingent on revenue receipt.
 - Upon the expiry of the lease period by efflux of time, the lessor, may agree to have the lease renewed for a secondary lease period.
 - There are no restrictions imposed on the Company by the existing lease agreements.

29.6 Related Party Disclosures

List of Related Parties

- Fellow Subsidiary India Power Corporation (Haldia) Limited (upto 30.9.2011)
- Holding Company India Power Corporation Limited (upto 30.9.2011)
- Ultimate Holding Company Aksara Commercial Private Limited (upto 30.9.2011)

Key Management Personnel

- Chief Executive Officer Shri Jyotirmay Bhaumik

Particulars	(₹ In lakhs)	
	31st March, 2013	31st March, 2012
The details of amount due to or due from are as under :		
Advance		
India Power Corporation (Haldia) Limited	-	6,504.68
Details of transaction entered into by the company are as under :		
Expenditure		
Chief Executive Officer		
Remuneration	70.69	73.26

Notes on Financial Statements For the year ended 31st March, 2013

29.7 Segment Reporting

Taking into account the nature of business, the different risks and returns and for better clarity of the state of affairs and performance of operation of the Company. The details of two business segments i.e. Energy comprising of generation, transmission and distribution of power and Investment comprising of investment in non power assets including land, building and securities etc are as follows:

(₹ In lakhs)

Particulars	31st March, 2013			31st March, 2012		
	Energy	Investment	Total	Energy	Investment	Total
Segment Revenue	64,884.49	97.61	64,982.10	54,058.39	87.49	54,145.88
Segment Results before interest Expense	5,184.48	21.35	5,205.83	2,540.19	16.34	2,556.53
Interest Expense (Net of Interest income)			1,547.13			817.36
Unallocable Income (net)			588.60			-
Tax Expense			1,488.49			589.88
Profit after tax			2,758.81			1,149.29
Segment Assets	66,774.46	1,907.27	68,681.73	49,607.31	1,890.25	51,497.56
Unallocated Assets			81,886.01			-
Total Assets			1,50,567.74			51,497.56
Segment Liabilities	52,810.28	118.65	52,928.93	38,081.36	109.74	38,191.10
Capital Expenditure	15,355.94		15,355.94	4,401.70		4,401.70
Depreciation/amortisation	1,045.78	49.93	1,095.71	578.63	53.46	632.09
Non Cash expenditure other than depreciation/amortisation	208.77		208.77	69.93		69.93
Capital Employed						
Power			13,964.18			9,863.70
Investment Operations			1,788.62			1,780.51
Unallocated			81,886.01			

29.8 Earning per Share

(₹ In lakhs)

Particulars	31st March, 2013	31st March, 2012
Profit after tax	2,758.81	1,180.54
Number of Equity Shares	97,37,89,640	97,37,89,640
Number of equity Shares in Share Capital Suspense Account (Note 2.1)	60,41,43,449	-
Total Number of Shares	1,57,79,33,089	-
Earning per share (Basic and Diluted)	0.17	0.12

Notes on Financial Statements For the year ended 31st March, 2013

29.9 Employee Benefits

Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by Life Insurance Corporation of India (LIC), make payments to vested employees or their cessation of employment, death, incapacitation of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of ₹10.00 lakhs. Vesting occurs upon completion of five years of service.

Superannuation (Funded)

The Company's superannuation scheme, a defined benefit plan, covers certain category of employees and is administered through a trust fund. Investments of the fund are managed by LIC. Upon retirement, death or cessation of employment Superannuation Fund purchases annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

Post retirement Medical Benefit (Unfunded)

The Company has a scheme for domiciliary treatment for its certain category of retired employees till death and their surviving spouses up to an annual maximum limit.

Lump sum payment (Unfunded)

The Company has a defined benefit plan which covers certain categories of employees for providing a lump sum amount at various scales to the vested employee or his nominee upon retirement, death or cessation of service based on tenure of employment. Vesting occurs upon completion of 20 years of service.

29.9.1 Reconciliation of opening and closing balances of the present value of defined benefit obligations:

(₹ In lakhs)

Particulars	Funded				Unfunded					
	Gratuity		Superannuation Fund		Post Retirement Medical		Leave Encashment		Lumpsum payment	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Opening balance	1,541.68	1,347.31	71.15	99.48	50.69	55.95	507.51	332.71	54.05	58.35
Current Service Cost	178.39	68.98	2.85	3.92	-	-	75.57	36.86	1.89	2.11
Interest Cost	119.24	107.54	5.25	6.77	4.26	4.46	26.99	24.16	3.80	4.81
Plan Amendments										
Actuarial loss/(gain)	(101.77)	(0.38)	27.62	(20.49)	13.73	(5.99)	284.27	37.61	8.21	(11.22)
Benefits paid	(342.27)	(87.53)	(21.70)	(18.53)	(3.50)	(3.73)	(394.44)	(79.79)	(20.75)	-
Closing balance	1,395.27	1,435.92	85.17	71.15	65.18	50.69	499.90	351.55	47.20	54.05

29.9.2 Reconciliation of opening and closing balances of the fair value of plan assets*-

(₹ In lakhs)

Particulars	Gratuity		Superannuation Fund	
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2013	As at 31.3.2012
Opening balance	809.92	829.30	32.62	23.36
Actual return on Plan Assets	65.97	68.15	2.22	6.07
Expected return on Plan Assets	66.75	73.05	3.31	2.32
Actuarial gain/(loss)	(0.78)	(4.90)	(1.09)	3.75
Contribution	157.99	-	27.75	21.72
Benefits paid	(342.27)	(87.53)	(21.70)	(18.53)
Closing balance	691.61	809.92	40.89	32.62

Notes on Financial Statements For the year ended 31st March, 2013

29.9.3 Amount recognised in Balance Sheet-

(₹ In lakhs)

Particulars	Funded					Funded				
	Gratuity					Superannuation Fund				
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
Present value of obligation	1,395.27	1,435.92	1,347.31	838.94	789.53	85.17	71.15	99.48	105.70	134.61
Fair Value of Plan Assets	691.61	809.92	829.30	537.70	545.81	40.89	32.62	23.36	21.13	54.79
Net Asset/(Liability)	(703.66)	(626.00)	(518.01)	(301.24)	(243.72)	(44.28)	(38.53)	(76.12)	(84.57)	(79.82)

(₹ In lakhs)

Particulars	Unfunded					Unfunded				
	Post Retirement Medical					Leave Encashment				
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
Present value of obligation	65.18	50.69	55.95	56.28	58.39	499.90	351.55	332.71	298.86	245.81
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-
Net Asset/(Liability)	(65.18)	(50.69)	(55.95)	(56.28)	(58.39)	(499.90)	(351.55)	(332.71)	(298.86)	(245.81)

(₹ In lakhs)

Particulars	Unfunded				
	Lumpsum payment in lieu of pension				
	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
Present value of obligation	47.19	54.04	58.35	52.50	53.22
Fair Value of Plan Assets	-	-	-	-	-
Net Asset/(Liability)	(47.19)	(54.04)	(58.35)	(52.50)	(53.22)

29.9.4 Amount recognised in Statement of Profit and Loss

(₹ In lakhs)

Particulars	Gratuity		Superannuation Fund		Post Retirement Medical		Leave Encashment		Lumpsum payment	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Current service cost	178.39	68.98	2.85	3.92	-	-	75.57	36.86	1.89	2.11
Interest cost	119.24	107.54	5.25	6.77	4.26	4.46	26.99	24.16	3.80	4.81
Expected return on Plan Assets	(66.75)	(73.05)	(3.31)	(2.32)	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-	-	-
Actuarial loss/(gain)	(100.99)	4.52	28.71	(24.24)	13.73	(5.99)	284.27	37.61	8.21	(11.22)
Recognised in Profit and Loss Account	129.89	107.99	33.50	(15.87)	17.99	(1.53)	386.83	98.63	13.90	(4.30)
Under	Contribution to Provident and Other Funds				Medical and Welfare Expenses		Salaries, Wages and Bonus			

Notes on Financial Statements For the year ended 31st March, 2013

29.9.5 Experience adjustment on Plan Liabilities and Assets

(₹ In lakhs)

Particulars	Gratuity					Superannuation Fund				
	31.3.2013	31.3.2012	31.3.2011	31.3.2010	31.3.2009	31.3.2013	31.3.2012	31.3.2011	31.3.2010	31.3.2009
Defined benefit obligations	1,395.27	1,435.92	1,347.31	838.94	789.53	85.17	71.15	99.48	105.70	134.61
Plan Assets	691.61	809.92	829.30	537.70	545.81	40.89	32.62	23.36	21.13	54.79
Surplus/(Deficit)	657.91	(626.00)	(518.01)	(301.24)	(243.72)	(44.28)	(38.53)	(76.12)	(84.57)	(79.82)
Experience adjustments on Plan Liabilities Loss/(Gains)	4.06	45.28	23.21	44.68	27.64	25.61	(17.55)	(4.02)	(2.23)	(0.41)
Experience adjustments on Plan Assets Loss/(Gains)	(0.78)	(4.90)	10.69	2.03	(1.04)	(1.09)	3.75	(3.49)	1.11	(0.35)
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	(105.83)	(45.66)	-	(13.18)	5.29	2.01	(2.94)	-	2.19	2.59

(₹ In lakhs)

Particulars	Post Retirement Medical Benefit					Leave Encashment				
	31.3.2013	31.3.2012	31.3.2011	31.3.2010	31.3.2009	31.3.2013	31.3.2012	31.3.2011	31.3.2010	31.3.2009
Defined benefit obligations	65.18	50.69	55.95	56.28	58.39	499.90	351.55	332.71	298.86	245.81
Plan Assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	(65.18)	(50.69)	(55.95)	(56.28)	(58.39)	402.71	(351.55)	(332.71)	(298.86)	(245.81)
Experience adjustments on Plan Liabilities Loss/(Gains)	8.96	(3.91)	(1.63)	(0.93)	1.79	370.83	49.90	80.08	93.00	39.64
Experience adjustments on Plan Assets Loss/(Gains)	-	-	-	-	-	-	-	-	-	-
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	(4.77)	(2.08)	-	(1.16)	0.46	(86.56)	(12.29)	-	(5.95)	1.93

(₹ In lakhs)

Particulars	Lumpsum payment in lieu of pension				
	31.3.2013	31.3.2012	31.3.2011	31.3.2010	31.3.2009
Defined benefit obligations	47.19	54.05	52.50	52.50	53.22
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(47.19)	(54.05)	(52.50)	(52.50)	(53.22)
Experience adjustments on Plan Liabilities Loss/(Gains)	6.70	(9.94)	-	(4.21)	(0.79)
Experience adjustments on Plan Assets Loss/(Gains)	-	-	-	-	-
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	1.51	(1.28)	-	-	0.31

29.9.6 Principal Actuarial Assumptions used –

(₹ In lakhs)

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Mortality Table (before separation from service)	LICI (1994-96)	LICI (1994-96)
Mortality Table (after separation from service)	LICI (1996-98)	LICI (1996-98)
Gratuity	8.00%	8.70%
Leave Encashment	8.00%	8.70%

Notes on Financial Statements For the year ended 31st March, 2013

29.9.6 Principal Actuarial Assumptions used –

(₹ In lakhs)

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Post Retirement Medical	8.00%	8.70%
Superannuation Fund	7.80%	8.55%
Lumpsum Payment	8.00%	8.70%
Inflation rate	4.00%	5.00%
Expected Return on assets		
Gratuity	9.30%	9.30%
Superannuation Fund	9.30%	9.30%
Medical cost trend rates	3.00%	3.00%
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors.

29.9.7 Effect of increase / decrease of one percentage point in the assumed medical cost trend rates on: (₹ in lakhs)

	Year ended 31.3.2013		Year ended 31.3.2012	
	Increase	Decrease	Increase	Decrease
Aggregate of current service cost and interest cost	Nil	Nil	Nil	Nil
Accumulated Post Employment benefit obligation for medical cost	56.51	55.40	51.19	50.19

29.9.8 The contribution to the defined benefit plans expected to be made by the Company during the annual period beginning after the Balance Sheet date is yet to be reasonably determined.

29.9.9 During the year ₹340.75 lakhs has been recognised as expenditure towards Defined Contribution Plans of the Company (Previous Year ₹308.67 lakhs)

29.10 In view of amalgamation of IPCL with the Company as referred to in note 2, the figures of previous year are not comparable with figures of current year.

29.11 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary to make them comparable with those of current year.

For and on behalf of the Board

For Lodha & Co.
Chartered Accountants

R.P Singh
Partner
Place: Kolkata,
Date: 27th May, 2013

Saikat Bardhan
Secretary

Amit Kiran Deb
Director

Jyoti Kumar Poddar
Director

Cautionary statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



DPSC Limited
Adding Power to Life

Plot No. X1, 2 & 3, Block- EP, Sector-V,
Salt Lake City, Kolkata - 700 091.